

**SIAMGAS AND PETROCHEMICALS PUBLIC  
COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2018**

# **Independent Auditor's Report**

To the shareholders of Siamgas and Petrochemicals Public Company Limited

## **My opinion**

In my opinion, the consolidated financial statements of Siamgas and Petrochemicals Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

## **What I have audited**

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of income for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

## **Basis for opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Key audit matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p><b>Goodwill impairment assessment</b></p> <p>Refer to Note 4 (a) Estimated impairment of goodwill and Note 15 Goodwill.</p> <p>The Group has recognised goodwill of Baht 1,538 million less a provision for impairment of Baht 22 million, as resulting in net book value of Baht 1,516 million, which represented 4% of total consolidated assets. The goodwill of Baht 1,516 million arose from the acquisition of a trading of petroleum business and the remaining Baht 22 million arose from the acquisition of manufacturing of ethanol business in Thailand. The Group did not recognise an additional impairment loss in the 2018 consolidated financial statements.</p> <p>The management tests the impairment of goodwill annually at the level of a cash generating unit ("CGU") and assesses its recoverable amount by applying the value-in-use model which involves the significant management judgements in respect to the future operating results of business, projected cash flows and the discount rate to be applied to the projected cash flows. Key assumptions applied in assessing the value-in-use model are:</p> <ul style="list-style-type: none"> <li>• revenue growth rates, and expected changes to overhead costs in the petroleum business.</li> <li>• discount rates calculated from capital structure, market risk and beta from available information in its industry.</li> </ul> <p>I focused on the valuation of goodwill arising from the acquisition of a trading of petroleum business due to the significant value and the fact that the determination of value-in-use depends on a number of assumptions (e.g. revenue growth rates, expected changes to overhead costs to the businesses, and the discount rates). Those assumptions involve significant judgement made by the management in assessing the possibility of future business plans.</p>	<p>I carried out the following procedures to assess the impairment test of goodwill which prepared by management.</p> <ul style="list-style-type: none"> <li>• Satisfied myself as to the appropriateness of management's identification of the CGUs and the continued satisfactory operation of the Group's control over the impairment test process.</li> <li>• Held discussions with the management to understand the basis for the assumptions applied and evaluated whether the goodwill impairment testing process and assumptions had been applied consistently across the Group.</li> <li>• Challenged management's significant assumptions used in goodwill impairment testing, especially in respect to the revenue growth rates and expected changes to overhead costs to the business. My procedures included comparing those assumptions to the underlying agreements, external sources and the approved business plan.</li> <li>• Assessed reasonableness of the business plan by comparing the plans of 2018 with actual results.</li> <li>• Assessed the discount rate, taking into account independently obtained data from available public information of companies in the industry to see whether the discount rate used by the management was within the acceptable range.</li> <li>• Tested the sensitivity analysis over key assumptions in the projected cash flow prepared by the management such as revenue growth rate and discount rate in order to assess factors to be sensitive to assumptions and potential impact of a range possible outcomes.</li> </ul> <p>As a result of the procedures performed, none of the items noted above resulted in a change to the impairment charge recorded by the management and noted that the key assumptions used by management in assessing the possibility of future business plans are within the reasonable range.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b>Impairment assessment of investment in a subsidiary and its assets</b></p> <p>Refer to Note 4 (b) Estimated impairment of investments in subsidiaries and its assets, Note 12 Investments in subsidiaries, associate and joint ventures and Note 13 Property, plant and equipment.</p> <p>The Company has recognised additional provision for impairment loss on an investment in Siam Ethanol Export Co., Ltd. (the subsidiary) of Baht 129 million against its investment at net book value of Baht 159 million in the separate statement of income for the year ended 31 December 2018 and the Group has recognised additional provision for impairment loss on the subsidiary's equipment of Baht 93 million against its net book value of Baht 234 million in the consolidated statement of income for the year then ended. This is because the operating results of ethanol business did not meet its original plan and the subsidiary has ceased operation.</p> <p>Management has recognised the provision for impairment loss on the investment in Siam Ethanol Export Co., Ltd and provision for impairment loss on the subsidiary's equipment by applying the fair value less costs to disposal. In year 2018 the management appointed an independent valuer to appraise fair value of the subsidiary's assets. Major of the subsidiary's assets are property, plant and equipment.</p> <p>The calculation of fair value less costs to disposal involves significant judgements and assumptions of the management in respect to characteristics and conditions of individual asset, expected disposal period, including the list of total assets expected to be disposed to third parties. The management provided these information to the independent valuer in appraising fair values of assets.</p> <p>As the result of impairment test by the management, it is noted that recording of the provision for impairment loss on investment in Siam Ethanol Export Co., Ltd. and the subsidiary's equipment, totalling Baht 250 and Baht 121 million, respectively is sufficient.</p> <p>I focused on this area due to the significance of the carrying value of the investment in a subsidiary and a subsidiary's equipment being assessed, and various assumptions used to assess the impairment testing which involve significant management's judgments.</p>	<p>I evaluated the impairment calculation of the investment and equipment which prepared by the management and assessed the assumptions used in the fair value calculation. I performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Challenged management and the independent valuer on the characteristics of individual asset and its overall quality, geographic location, expected disposal period, the list of total assets expected to be disposed to the third parties and desirability as a whole.</li> <li>• Assessed the methodologies used by both the management and the independent valuer to estimated fair values.</li> <li>• Evaluated the competencies and capabilities of the independent valuer including terms of engagement to determine whether there were any matters that might affect its objectivity or impose scope limitations upon its work.</li> <li>• Tested, on a sample basis, the accuracy and relevance of the input data provided by the management.</li> <li>• Considered the appropriateness of the fair values estimated by the independent valuer and challenged the management on significant movements in the valuations.</li> </ul> <p>As a result of the procedures performed, I noted that the key assumptions used by management in assessing the fair value less cost to disposal are within the reasonable range.</p>

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

## **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

**Amornrat Pearmpoonvatanasuk**  
 Certified Public Accountant (Thailand) No. 4599  
 Bangkok  
 21 February 2019

**Siamgas and Petrochemicals Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2018**

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	2,848,742,459	2,590,205,366	1,011,127,479	301,442,589
Short-term investments	8	132,959,041	99,392,802	99,359,041	99,392,802
Trade and other receivables, net	9	5,444,877,816	4,061,754,624	891,623,995	1,152,811,246
Inventories, net	10	4,817,782,926	4,069,918,488	906,152,816	888,017,252
Other current assets	11	466,000,153	375,795,031	127,721,040	71,244,943
<b>Total current assets</b>		<b>13,710,362,395</b>	<b>11,197,066,311</b>	<b>3,035,984,371</b>	<b>2,512,908,832</b>
<b>Non-current assets</b>					
Investments in subsidiaries, net	12	-	-	10,581,831,560	9,593,796,979
Investments in associates	12	2,375,576,517	1,640,924,220	-	-
Investments in joint ventures	12	107,513,300	107,774,427	23,577,992	23,577,992
Long-term loans to related parties	34	133,432,778	20,757,300	1,180,660,228	1,203,266,043
Property, plant and equipment, net	13	16,666,293,953	15,645,859,987	5,153,646,030	5,058,408,188
Investment property, net	14	127,814,734	-	669,546,460	-
Goodwill, net	15	1,516,110,663	1,516,110,663	-	-
Intangible assets, net	16	72,690,137	108,206,380	2,912,553	3,692,496
Deferred tax assets, net	17	242,374,349	151,017,029	-	-
Other non-current assets	18	852,270,673	1,070,255,918	527,375,389	548,506,783
<b>Total non-current assets</b>		<b>22,094,077,104</b>	<b>20,260,905,924</b>	<b>18,139,550,212</b>	<b>16,431,248,481</b>
<b>Total assets</b>		<b>35,804,439,499</b>	<b>31,457,972,235</b>	<b>21,175,534,583</b>	<b>18,944,157,313</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

The notes to the consolidated and separate financial statements from pages 16 to 79 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2018**

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings					
from financial institutions, net	19	4,988,584,958	1,500,520,025	600,000,000	1,232,536,645
Trade and other payables	20	3,514,763,435	3,987,757,324	1,004,142,322	814,890,760
Current portion of long-term loans					
from financial institutions, net	21	1,349,029,932	583,453,062	886,159,938	145,992,919
Current portion of bonds, net	23	2,999,800,218	1,999,881,918	2,999,800,218	1,999,881,918
Accrued income tax		110,351,226	244,596,656	-	-
Other current liabilities	22	140,145,205	88,433,761	5,550,357	6,123,773
<b>Total current liabilities</b>		<b>13,102,674,974</b>	<b>8,404,642,746</b>	<b>5,495,652,835</b>	<b>4,199,426,015</b>
<b>Non-current liabilities</b>					
Long-term loans from financial					
institutions, net	21	963,399,362	1,452,829,779	274,000,000	704,928,558
Long-term loans from related parties	34	3,000,000	3,000,000	997,678,001	690,000,000
Bonds, net	23	5,983,201,331	4,994,679,838	5,983,201,331	4,994,679,838
Cylinder deposits	24	5,054,053,315	4,744,880,577	1,077,872,642	976,351,099
Employee benefit obligations	25	166,126,708	155,883,311	61,785,901	55,691,231
Deferred tax liabilities, net	17	340,971,631	377,069,051	26,177,492	91,129,021
Other non-current liabilities		62,201,685	16,548,183	2,385,598	3,468,598
<b>Total non-current liabilities</b>		<b>12,572,954,032</b>	<b>11,744,890,739</b>	<b>8,423,100,965</b>	<b>7,516,248,345</b>
<b>Total liabilities</b>		<b>25,675,629,006</b>	<b>20,149,533,485</b>	<b>13,918,753,800</b>	<b>11,715,674,360</b>

The notes to the consolidated and separate financial statements from pages 16 to 79 are an integral part of these financial statements.



**Siamgas and Petrochemicals Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2018**

	<b>Notes</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Liabilities and equity (continued)</b>					
<b>Equity</b>					
Share capital	26				
Authorised share capital					
1,837,863,000 ordinary shares					
with a par value of Baht 0.50 each					
(As at 31 December 2017 :					
918,931,500 ordinary shares with					
a par value of Baht 1 each)		918,931,500	918,931,500	918,931,500	918,931,500
Issued and paid-up share capital					
1,837,863,000 ordinary shares,					
fully paid-up of Baht 0.50 each					
(As at 31 December 2017 :					
918,931,500 ordinary shares,					
fully paid-up of Baht 1 each)		918,931,500	918,931,500	918,931,500	918,931,500
Premium on share capital	26	1,874,481,829	1,874,481,829	1,874,481,829	1,874,481,829
Retained earnings					
Appropriated					
- Legal reserve	28	162,088,663	162,088,663	162,088,663	162,088,663
Unappropriated		7,722,361,219	8,229,199,519	4,153,488,853	4,124,820,953
Other components of equity	33	(691,188,358)	(45,723,545)	147,789,938	148,160,008
<b>Equity attributable to owners</b>					
<b>of the parent</b>		9,986,674,853	11,138,977,966	7,256,780,783	7,228,482,953
Non-controlling interests		142,135,640	169,460,784	-	-
<b>Total equity</b>		<b>10,128,810,493</b>	<b>11,308,438,750</b>	<b>7,256,780,783</b>	<b>7,228,482,953</b>
<b>Total liabilities and equity</b>		<b>35,804,439,499</b>	<b>31,457,972,235</b>	<b>21,175,534,583</b>	<b>18,944,157,313</b>

The notes to the consolidated and separate financial statements from pages 16 to 79 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**

**Statement of Income**

**For the year ended 31 December 2018**

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
<b>Revenue</b>					
Revenue from sales		68,263,969,971	58,743,411,828	11,063,204,372	10,383,639,757
Revenue from transportation		249,073,879	395,072,691	-	-
Revenue from services		9,438,316	13,775,897	156,438,603	124,306,181
<b>Total revenue</b>		<b>68,522,482,166</b>	<b>59,152,260,416</b>	<b>11,219,642,975</b>	<b>10,507,945,938</b>
Cost of sales and services		(66,061,606,945)	(53,843,942,450)	(10,846,233,262)	(10,012,872,811)
Cost of transportation		(200,441,779)	(361,611,637)	-	-
<b>Total cost of sales, services and transportation</b>		<b>(66,262,048,724)</b>	<b>(54,205,554,087)</b>	<b>(10,846,233,262)</b>	<b>(10,012,872,811)</b>
<b>Gross profit</b>		<b>2,260,433,442</b>	<b>4,946,706,329</b>	<b>373,409,713</b>	<b>495,073,127</b>
Dividend income		3,599,000	2,850,000	1,734,257,744	681,684,762
Other income	29	577,455,157	474,310,935	223,056,368	272,531,859
<b>Profit before expenses</b>		<b>2,841,487,599</b>	<b>5,423,867,264</b>	<b>2,330,723,825</b>	<b>1,449,289,748</b>
Selling expenses		(177,027,506)	(188,545,803)	(42,935,064)	(44,827,176)
Administrative expenses		(1,328,164,325)	(1,236,144,591)	(571,155,874)	(384,081,586)
<b>Total expenses</b>		<b>(1,505,191,831)</b>	<b>(1,424,690,394)</b>	<b>(614,090,938)</b>	<b>(428,908,762)</b>
Share of profit (loss) of associates and joint ventures	12	177,649,134	(36,513,486)	-	-
<b>Profit before finance costs and income tax</b>		<b>1,513,944,902</b>	<b>3,962,663,384</b>	<b>1,716,632,887</b>	<b>1,020,380,986</b>
Finance costs		(492,863,746)	(461,139,631)	(374,894,335)	(371,994,906)
<b>Profit before income tax</b>		<b>1,021,081,156</b>	<b>3,501,523,753</b>	<b>1,341,738,552</b>	<b>648,386,080</b>
Income tax revenue (expenses)	31	(151,359,439)	(662,078,753)	64,951,528	(3,322,462)
<b>Profit for the year</b>		<b>869,721,717</b>	<b>2,839,445,000</b>	<b>1,406,690,080</b>	<b>645,063,618</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		871,183,880	2,811,103,629	1,406,690,080	645,063,618
Non-controlling interests		(1,462,163)	28,341,371	-	-
<b>Profit for the year</b>		<b>869,721,717</b>	<b>2,839,445,000</b>	<b>1,406,690,080</b>	<b>645,063,618</b>
<b>Earnings per share for profit attributable to the owners of the parent</b>	32				
Basic earnings per share		0.47	1.53	0.77	0.35

The notes to the consolidated and separate financial statements from pages 16 to 79 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**

**Statement of Comprehensive Income**

**For the year ended 31 December 2018**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Profit for the year	869,721,717	2,839,445,000	1,406,690,080	645,063,618
Other comprehensive income (expense), net of tax				
Items that will not be reclassified subsequently to profit or loss				
- Reversal of revaluation surplus on land	(462,587)	-	(462,587)	-
<u>Less</u> Income tax related to revaluation surplus on land	92,517	-	92,517	-
Items that will be reclassified subsequently to profit or loss				
- Share of other comprehensive expense from associates and joint ventures for accounted using the equity method	(34,004,770)	(21,383,810)	-	-
- Currency translation difference	(614,978,149)	(545,783,558)	-	-
Total other comprehensive income (expense), net of tax	(649,352,989)	(567,167,368)	(370,070)	-
<b>Total comprehensive income for the year</b>	<b>220,368,728</b>	<b>2,272,277,632</b>	<b>1,406,320,010</b>	<b>645,063,618</b>
<b>Total comprehensive income (expense) attributable to:</b>				
Owners of the parent	229,451,341	2,243,577,600	1,406,320,010	645,063,618
Non-controlling interests	(9,082,613)	28,700,032	-	-
	<b>220,368,728</b>	<b>2,272,277,632</b>	<b>1,406,320,010</b>	<b>645,063,618</b>

The notes to the consolidated and separate financial statements from pages 16 to 79 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2018**

		Consolidated financial statements					
		Attributable to equity holders of the parent					
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Total other components of equity	Non- controlling interests
Note	Baht	Baht	Baht	Legal reserve Baht	Unappropriated Baht	Baht	Baht
Opening balance as at 1 January 2018		918,931,500	1,874,481,829	162,088,663	8,229,199,519	(45,723,545)	11,308,438,750
Dividends paid	27	-	-	-	(1,378,392,250)	-	(1,381,426,506)
Total comprehensive income (expense) for the year		-	-	-	871,553,950	(641,732,539)	220,738,798
Capital contributions by non-controlling interests of subsidiaries		-	-	-	-	-	1,525,200
Acquisition of investment in a subsidiary from non-controlling interests		-	-	-	-	(3,732,274)	(20,465,749)
Closing balance as at 31 December 2018		918,931,500	1,874,481,829	162,088,663	7,722,361,219	(691,188,358)	10,128,810,493
Opening balance as at 1 January 2017		918,931,500	1,874,481,829	162,088,663	6,199,186,615	521,802,484	9,799,855,376
Dividends paid		-	-	-	(781,090,725)	-	(790,735,365)
Total comprehensive income (expense) for the year		-	-	-	2,811,103,629	(567,526,029)	2,272,277,632
Capital contributions by non-controlling interests of subsidiaries		-	-	-	-	-	427,507
Disposal of investment in a subsidiary by not losing control		-	-	-	-	-	26,613,600
Closing balance as at 31 December 2017		918,931,500	1,874,481,829	162,088,663	8,229,199,519	(45,723,545)	11,308,438,750

The notes to the consolidated and separate financial statements from pages 16 to 79 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2018**

	Note	Separate financial statements				
		Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total other components of equity Baht (Note 33)
				Legal reserve Baht	Unappropriated Baht	
<b>Opening balance as at 1 January 2018</b>		918,931,500	1,874,481,829	162,088,663	4,124,820,953	148,160,008
Dividends paid	27	-	-	-	(1,378,392,250)	-
Total comprehensive income (expense) for the year		-	-	-	1,407,060,150	(370,070)
<b>Closing balance as at 31 December 2018</b>		<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>4,153,488,853</u>	<u>147,789,938</u>
<b>Opening balance as at 1 January 2017</b>		918,931,500	1,874,481,829	162,088,663	4,260,848,060	148,160,008
Dividends paid		-	-	-	(781,090,725)	-
Total comprehensive income for the year		-	-	-	645,063,618	-
<b>Closing balance as at 31 December 2017</b>		<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>4,124,820,953</u>	<u>148,160,008</u>

The notes to the consolidated and separate financial statements from pages 16 to 79 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2018**

		Consolidated financial		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		1,021,081,156	3,501,523,753	1,341,738,552	648,386,080
Adjustments to reconcile profit before income tax					
Depreciation expenses - buildings and equipment	13	1,083,737,849	1,176,364,735	118,538,476	114,742,120
Amortisation expenses - intangible assets and investment property		53,812,126	54,045,385	1,283,452	399,426
Gain on disposals and write-offs of equipment, net		(33,534,923)	(5,111,512)	(32,890,928)	(444,836)
Loss (gain) on change in fair value of short-term investments		33,761	(2,854,037)	33,761	(2,854,037)
Loss from disposal of investment in a subsidiary		-	-	-	3,082,200
Share of (profit) loss of associates and joint ventures	12	(177,649,134)	36,513,486	-	-
Allowance for doubtful debts (reversal)		165,931	(2,188,365)	-	-
Provision for diminution in value of inventories		278,665,474	158,342	-	-
Impairment charged on equipment	13	93,000,000	28,000,000	-	-
Impairment charged on goodwill		-	21,690,543	-	-
Impairment charged on investment in a subsidiary	12	-	-	129,000,000	-
Dividends income from short-term investments		(3,599,000)	(2,850,000)	(3,599,000)	(2,850,000)
Dividends income from subsidiaries		-	-	(1,730,658,744)	(678,834,762)
Employee benefit expenses	25	17,117,036	14,592,757	6,488,380	5,739,854
Unrealised loss (gain) on exchange rates, net		43,549,279	(2,047,541)	6,903,581	(6,894,503)
Interest income	29	(16,821,989)	(16,567,495)	(37,321,798)	(54,649,967)
Finance costs		492,863,746	461,139,631	374,894,335	371,994,906
		2,852,421,312	5,262,409,682	174,410,067	397,816,481
<b>Changes in operating assets and liabilities</b>					
- Trade and other receivables		(1,569,478,569)	(1,066,081,732)	263,231,385	(721,161,346)
- Inventories		(1,175,915,228)	(823,720,690)	(18,135,565)	(722,983,375)
- Other current assets		(79,824,030)	145,477,205	(33,542,180)	(31,405,963)
- Other non-current assets		(55,090,802)	(48,965,391)	(65,102,102)	(15,328,847)
- Trade and other payables		(560,223,540)	(133,382,876)	199,727,720	205,911,372
- Other current liabilities		47,365,953	2,477,336	(573,416)	(6,824,622)
- Cylinder deposits		309,172,739	117,770,293	101,521,543	92,690,201
- Other non-current liabilities		43,724,810	(3,001,042)	(1,083,000)	1,143,979
- Employee benefits paid		(6,873,639)	(4,852,690)	(393,710)	(3,276,210)
Cash generated from (used in) operations		(194,720,994)	3,448,130,095	620,060,742	(803,418,330)
- Interest paid		(486,674,789)	(444,730,105)	(369,715,096)	(357,634,518)
- Income tax paid		(445,392,325)	(271,092,902)	(22,933,918)	(17,634,044)
<b>Net cash received from (used in) operating activities</b>		<b>(1,126,788,108)</b>	<b>2,732,307,088</b>	<b>227,411,728</b>	<b>(1,178,686,892)</b>

The notes to the consolidated and separate financial statements from pages 16 to 79 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2018**

		Consolidated financial		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Proceeds from (payments for) of					
short-term investments, net	8	(33,600,000)	11,500,000	-	11,500,000
Proceeds from long-term loans to related parties	34	-	11,986,360	172,875,469	1,001,378,251
Payments for long-term loans to related parties	34	(112,790,378)	-	(155,000,000)	(445,000,000)
Advance payment for acquisition of investments in joint venture		-	(3,186,388)	-	-
Advance payments for acquisitions					
of investments in associates	18	-	(97,253,195)	-	-
Advance payments for acquisitions					
of investments in subsidiaries	18	-	-	(36,079,000)	-
Payment for acquisition of investments in joint venture		(21,090,578)	(27,500,000)	-	-
Payments for acquisitions of investments in associates	12	(503,053,014)	(817,786,890)	-	-
Payments for investments in subsidiaries	12	-	-	(1,117,034,582)	(978,496,173)
Proceeds from disposal of investment in a subsidiary	12	-	23,366,641	-	23,366,641
Purchases of property, plant and equipment		(2,309,433,855)	(1,523,725,546)	(149,086,312)	(112,471,575)
Advance payments for purchase of equipment		(61,079,754)	(154,227,394)	(57,208,400)	(128,941,950)
Purchases of investment property	14	-	-	(555,469,215)	-
Proceeds from disposals of property and equipment		89,487,225	13,879,727	57,750,607	6,014,311
Purchases of intangible assets		(163,374)	(8,716,335)	-	(632,000)
Interest received		16,029,341	16,273,601	7,026,338	31,487,372
Dividends received from short-term investments		3,599,000	2,850,000	3,599,000	2,850,000
Dividends received from subsidiaries		-	-	1,730,658,744	678,834,762
<b>Net cash received from (used in) investing activities</b>		<b>(2,932,095,387)</b>	<b>(2,552,539,419)</b>	<b>(97,967,351)</b>	<b>89,889,639</b>
<b>Cash flows from financing activities</b>					
Proceeds from (payments for) short-term loans					
from financial institutions, net		3,490,962,356	(124,348,538)	(631,534,242)	664,538,557
Proceeds from long-term loans from					
financial institutions, net	21	1,015,981,000	1,329,919,064	550,000,000	537,875,520
Repayments for long-term loans from					
financial institutions	21	(771,637,761)	(578,164,469)	(248,338,550)	(142,441,790)
Proceeds from long-term loans from related parties	34	-	-	1,046,014,520	820,000,000
Repayments for long-term loans from related parties	34	-	-	(740,000,000)	(664,463,223)
Repayment for bond redemption	23	(2,000,000,000)	(1,300,000,000)	(2,000,000,000)	(1,300,000,000)
Proceeds from issue of bonds, net	23	3,982,813,022	1,995,690,000	3,982,813,022	1,995,690,000
Proceeds from subsidiaries of					
non-controlling interests		1,525,200	427,500	-	-
Payment for investment in a subsidiary					
from non-controlling interests		(20,465,750)	-	-	-
Dividends paid		(1,381,426,506)	(790,735,365)	(1,378,392,250)	(781,090,725)
<b>Net cash received from financing activities</b>		<b>4,317,751,561</b>	<b>532,788,192</b>	<b>580,562,500</b>	<b>1,130,108,339</b>

The notes to the consolidated and separate financial statements from pages 16 to 79 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2018**

		Consolidated financial		Separate financial statements	
		2018	2017	2018	2017
	Note	Baht	Baht	Baht	Baht
<b>Net increase in cash and cash equivalents</b>		258,868,066	712,555,861	710,006,877	41,311,086
Cash and cash equivalents at the beginning of the year		2,590,205,366	1,879,332,545	301,442,589	260,283,175
Exchange loss on cash and cash equivalents		(330,973)	(1,683,040)	(321,987)	(151,672)
<b>Cash and cash equivalents at the end of the year</b>	7	<u>2,848,742,459</u>	<u>2,590,205,366</u>	<u>1,011,127,479</u>	<u>301,442,589</u>

**Non-cash transactions**

Payables for purchase of property, plant and equipment (included in other payables)	60,967,908	72,133,184	7,362,370	11,002,710
Increase in equipment as a result of advance payment for purchase of equipment (included in other non-current assets)	208,448,732	-	208,448,732	-
Receivable from disposal of equipment (included in trade and other receivables)	372,200	-	677,955	7,986,087
Increase in construction in process as a result of advance payment for construction	-	1,000,000	-	1,000,000

The notes to the consolidated and separate financial statements from pages 16 to 79 are an integral part of these financial statements.



## **1 General information**

Siamgas and Petrochemicals Public Company Limited (the Company) is a public limited company incorporated and resident in Thailand. The address of the Company's registered office is 553, 30<sup>th</sup> Floor, The Palladium Building, Ratchaprarop Road, Makkasan, Ratchathewi, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the "Group".

The Group has main business in trading petroleum and petrochemical and transportation services by land and ship.

These consolidated and separate financial statements were authorised by the Board of Directors on 21 February 2019.

## **2 Accounting policies**

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below.

### **2.1 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, to the consolidated and separate financial statements, are disclosed in Note 4.

An English version of the consolidated and separate financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

**2 Accounting policies (continued)**

**2.2 New financial reporting standards, revised financial reporting standards and related interpretations**

**2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018**

Commencing from 1 January 2018, the Group adopted the revised financial reporting standards effective for annual periods beginning on or after 1 January 2018 and relevant to the Group. The adoption of these standards do not have significant impact on the Group.

**2.2.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019. The Group has not yet adopted this standard.**

Thai Financial Reporting Standard (TFRS) 15 "Revenue from contracts with customers" provides the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- 1) Identify the contract(s) with a customer
- 2) Identify the performance obligations in the contract
- 3) Determine the transaction price
- 4) Allocate the transaction price to the performance obligations in the contract
- 5) Recognise revenue when (or as) the entity satisfies a performance obligation

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc.) - minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements.
- As with any new standard, there are also increased disclosures.

Entities will have the choice to apply this standard retrospectively in accordance with TAS 8 'Accounting Policies', Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period, which includes the date of initial application with additional disclosures. The Group's management is currently assessing the impact of initial adoption of this financial reporting standards.

**2 Accounting policies (continued)**

**2.2 New financial reporting standards, revised financial reporting standards and related interpretations (continued)**

**2.2.3 Revised financial reporting standards are effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.**

TFRS 2 (revised 2018)	Share-based Payment
TFRS 4 (revised 2018)	Insurance Contracts
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 40 (revised 2018)	Investment Property
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 2 (revised 2018) "Share-based Payment", the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

TFRS 4 (revised 2018) has been amended to provide insurance companies an optional exemption from compliance with TFRS 9 and TFRS 7. The exemption is temporarily effective and not mandatory. Entities who choose to use the exemption must follow the 'financial instruments and disclosure for insurance companies' accounting guidelines to be issued by the Federation of Accounting Professions (upon announcement) until TFRS 17 becomes effective.

TAS 28 (revised 2018) "Investments in Associates and Joint Ventures", the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40 (revised 2018) "Investment Property", the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

The TFRIC 22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

The management of the group is in the process of evaluating the impact from implementing such financial standards.

**2.2.4 The Group of financial instruments reporting standards are effective for annual periods beginning on or after 1 January 2020. The Group has not yet adopted these standards.**

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

**2 Accounting policies (continued)**

**2.2 New financial reporting standards, revised financial reporting standards and related interpretations (continued)**

**2.2.4 The Group of financial instruments reporting standards are effective for annual periods beginning on or after 1 January 2020. The Group has not yet adopted these standards. (continued)**

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 "Financial Instruments: Presentation", provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 "Financial Instruments: Disclosures", provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 "Financial Instruments", establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
  - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
  - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
  - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
  - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

**2 Accounting policies (continued)**

**2.2 New financial reporting standards, revised financial reporting standards and related interpretations (continued)**

**2.2.4 The Group of financial instruments reporting standards are effective for annual periods beginning on or after 1 January 2020. The Group has not yet adopted these standards. (continued)**

TFRIC 16 “Hedges of a Net Investment in a Foreign Operation”, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group’s management is currently assessing the impact of initial adoption of these standards.

**2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements**

**2.3.1 Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group’s subsidiaries is shown in Note 12.1.

**2 Accounting policies (continued)**

**2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (continued)**

**2.3.2 Transactions with non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

**2.3.3 Disposal of subsidiaries**

When the Group ceases to have control it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

**2.3.4 Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

A list of the Group's associates is shown in Note 12.2.

**2.3.5 Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method presented in consolidated financial statements.

A list of the Group's joint ventures is shown in Note 12.3.

**2 Accounting policies (continued)**

**2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (continued)**

**2.3.6 Accounting under equity method**

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates and joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduction of the ownership interest in an associate and joint ventures is recognised in profit or loss.

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

**2.3.7 Separate financial statement**

In the separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The Group will test for impairment for investments in subsidiaries, associates and joint ventures is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the profit or loss.

**2 Accounting policies (continued)**

**2.4 Foreign currency translation**

**a) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Company's functional and the Company's presentation currency.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

**c) Group companies**

The results and financial position of all the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of income and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income in statement of comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**2.5 Cash and cash equivalents**

In the consolidated and separate statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts but excludes restricted deposits with banks and short-term investments. In the consolidated and separate statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

**2.6 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.



## **2 Accounting policies (continued)**

### **2.7 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost of petroleum and petrochemical products are determined by the weighted average method. Cost of oil product and other finished goods is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity, but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion, including selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

### **2.8 Investments**

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- (2) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
- (3) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.
- (4) Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

## **2 Accounting policies (continued)**

### **2.9 Property, plant and equipment**

Land is shown at fair value, based on valuations by external independent valuers every five years. All other plant and equipment are stated at cost less accumulated depreciation and provision for impairment (if any). The costs of property, plant and equipment comprise both the purchase price and any costs directly attributable to bringing the assets to location and condition necessary for them to be capable of operating in the manner intended by management. Their costs also include the initial estimate of the costs of dismantling and removing the item and restoring the site on which they are located, the obligation for which the Group incurs either when the items are acquired or as a consequence of having used the items during a particular period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land are credited to other comprehensive income and shown as gain on asset revaluation in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight line to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvement	5 - 10 years
Leasehold improvement	contract period
Buildings and infrastructure	5 - 32 years
Terminals, gas filling and service stations and gas storage tanks	3 - 50 years
Gas vessels	2 - 32 years
Gas cylinders	10 - 20 years
Machine, factory tools and equipment	5 - 32 years
Furniture, fixtures and office equipment	5 - 20 years
Vehicles	5 - 30 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss. When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

### **2.10 Investment property**

Property that is held to earn rentals or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and ceased once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses (if any).

## **2 Accounting policies (continued)**

### **2.10 Investment property (continued)**

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 - 30 years
Equipment	5 - 20 years

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised as expenses in profit or loss.

### **2.11 Goodwill**

Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position. Goodwill on acquisitions of investments in associates or joint ventures are included to investments in associates or joint ventures (Note 2.3).

Recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

### **2.12 Intangible assets**

#### **2.12.1 Computer software**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives between five to ten years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use or sell it;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed ten years.

## **2 Accounting policies (continued)**

### **2.12 Intangible assets (continued)**

#### **2.12.2 Contractual customer relationships**

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship not over ten years.

### **2.13 Impairment of assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **2.14 Leases - where the Group is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

#### **Leases - where the Group is the lessor**

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

**2 Accounting policies (continued)**

**2.15 Borrowings**

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expense in the period in which they are incurred.

**2.16 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## **2 Accounting policies (continued)**

### **2.17 Employee benefits**

The group companies operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. The contributions are recognised as employee benefit expense when they are due.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

### **2.18 Provisions**

Provisions for legal claims and constructive obligation are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.19 Cylinder deposits**

Cylinder deposits are recorded as liabilities from customers and will be settled with each customer when customer return the cylinders together with related original receipt as evidence of the deposits to the Group.

### **2.20 Share capital**

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **2.21 Other reserves**

Other reserves of the Group comprise of the reserves of subsidiaries in the People's Republic of China. These reserves are in accordance with the regulation of a government unit in the People's Republic of China with the objective of safety.

## **2 Accounting policies (continued)**

### **2.22 Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the compensation of costs are deferred and recognised in profit or loss when the Group recognised the revenue/costs which they are intended to compensate.

### **2.23 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Transportation revenue is recognised in proportion to the lapsed time of the voyage, and Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Revenue from rental is recognised on a straight-line basis over the lease term. Interest income is recognised on accrual Basis. Dividends are recognised when the right to receive payment is established.

### **2.24 Dividends**

Dividend distribution to the Company's shareholders is recognised in the consolidated and separate financial statements in the period in which the dividends are approved by the Company's shareholders and the interim dividends are approved by the Board of Directors.

### **2.25 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's board of directors who makes strategic decisions.

## **3 Financial risk management**

### **3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by a central treasury department (the Group treasury) under policies approved by the Board of Directors. The Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

### **3 Financial risk management**

#### **3.1.1 Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD. Foreign exchange risk arises from commercial transactions and borrowing. Management provides the principles for overall risk management to the operating currency. Entities in the Group use forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency of commercial transactions and borrowing. Foreign exchange risk arise from future commercial transactions that is not the currency of the Group's operation.

#### **3.1.2 Interest rate risk**

Interest rate risk arises from change in interest rates, which may have an impact on the Group's and Company's operations in the current reporting period and in future years. Liabilities which are affected from significant interest rate risk are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		<b>Interest rate per annum</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>% p.a.</b>	<b>% p.a.</b>
Long-term loans from commercial banks						
- Fixed interest rates	995	814	-	-	2.57-3.00	2.57-3.00
- Floating interest rates	1,317	1,222	1,160	851	MLR-1.50	MLR-1.00
					MLR-3.275	BIBOR+2.15
					BIBOR+2.15	THBFIX 6M
					THBFIX 6M	+2.22
					+2.22	LIBOR 1M
					LIBOR 3M	+3.00
					+3.42	LIBOR 3M
						+3.42
						LIBOR 3M
						+3.10
Long-term loans from related parties	3	3	998	690	1.67 or	0.25
					Fixed deposits	Fixed deposits
					+0.5	+0.5
Bonds	8,983	6,995	8,983	6,995	3.03-4.30	3.95-4.70

The Group borrows at fixed and floating rates and uses hedging contracts as disclosed in Note 36 because the Group assesses that the changes in interest rate will significantly affect to the Group's operation.

#### **3.1.3 Credit risk**

The credit risk of the Group is export sales to primarily customers in overseas. However, the Group has no significant concentrations of credit risks for local sales. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

#### **3.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an amount of committed credit facilities and also issue of bond in the financial market, the Group treasury aims at maintaining flexibility in funding by keeping committed credit facilities available for the operating and investing purpose of the Group in future.



### **3 Financial risk management (continued)**

#### **3.2 Accounting for derivative financial instruments and hedging activities**

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts, interest rate swap contracts and cross currency swap contracts. Such instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates. The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The Group does not recognise foreign currency forward contracts transaction in the financial statements until the contracts are settled. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in profit or loss. The fee incurred in establishing each agreement is amortised over the contract period, if any.

Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the contracts. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 36.

#### **3.3 Fair value estimation**

Financial assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

##### **3.3.1 Financial assets and liabilities that are recognised at fair value**

The following table presents the Group's financial assets that are measured at fair value at 31 December 2018 and 2017.

	<b>Consolidated and Separate financial statements</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Financial assets at fair value through profit or loss as at 31 December 2018</b>				
Short-term investments	99	-	-	99
<b>Financial assets at fair value through profit or loss as at 31 December 2017</b>				
Short-term investments	99	-	-	99

The fair value of short-term investments are based on net asset value of individual mutual fund using quoted prices (unadjusted) in active markets for identical assets. The fair values are within level 1 of the fair value hierarchy.

There were no transfers between levels 1 and level 2 during the year.

**3 Financial risk management (continued)**

**3.3 Fair value estimation (continued)**

**3.3.2 Financial assets and liabilities that are not recognised at fair value**

Financial assets carried in the statement of financial position include cash and cash equivalents, short-term investments, trade and other receivables and long-term loans. Financial liabilities carried in the statement of financial position include short-term borrowings from financial institutions, trade and other payables, long-term loans, bonds, and cylinder deposits.

The carrying amounts of the financial assets and financial liabilities approximate their fair values. Long-term loans from financial institutions, and long-term loans to/from related parties with interest charged at the floating rates, the carrying amount of such loans approximates the fair value. The terms to maturity of long-term loans from related parties with interest charged at the fixed rates, and cylinder deposits are uncertain, the Group cannot estimate a reliable repayment period, therefore the fair value cannot be reliably estimated.

**(a) Long-term loans from financial institutions and related parties and bonds**

The Group disclosed fair values of long-term loans from financial institutions and related parties and bonds which bear fixed interest rate as follows:

The book value and fair value of long-term loans from financial institutions and related parties are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
Long-term loans from financial institutions, net				
- Book value	995	814	-	-
- Fair value	1,030	806	-	-
Long-term loans from related parties				
- Book value	-	-	690	20
- Fair value	-	-	627	16

The fair values of long-term loans from financial institutions which bear fixed interest rates are based on discounted cash flows using discount rates based upon market interest rates for borrowing in the same risk level at the date of the financial statements. The rates are interval from 2.80% to 3.99% (2017: 2.98% - 3.98%). The fair values are within level 2 of the fair value hierarchy. The fair values of long-term loans from financial institutions which bear floating interest rates approximate the carrying amounts.

The fair values of long-term loans from related parties which bear fixed interest rates are based on discounted cash flows using discount rates based upon market interest rates for borrowing in the same risk level at the date of the financial statements. The rates are interval from 2.80% to 3.99% (2017: 2.98% - 5.13%). The fair values are within level 2 of the fair value hierarchy. The fair values of long-term loans from related parties which bear floating interest rates approximate the carrying amounts.

The book value and fair value of bonds are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
Bonds, net				
- Book Value	8,983	6,995	8,983	6,995
- Fair Value	9,017	7,098	9,017	7,098

**3 Financial risk management (continued)**

**3.3 Fair value estimation (continued)**

**3.3.2 Financial assets and liabilities that are not recognised at fair value (continued)**

**(a) Long-term loans from financial institutions and related parties and bonds (continued)**

The fair values of bonds which bear fixed interest rate are based on discounted cash flows using discount rates based upon the bond rates at the date of the financial statements. The rates are interval from 2.80% to 3.99% (2017: 2.98% - 3.52%). The fair values are within level 2 of the fair value hierarchy.

**(b) The financial instruments**

The fair values of the financial instruments that the Group has not recognised in the statements of financial position are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
Interest rate swap contracts	-	(1)	-	-
- unfavourable				
Cross currency swap contracts				
- favourable	25	31	2	3

The fair values of interest rate and cross currency swap contracts were calculated using the rates quoted by the Group's bankers which were based on market conditions existing at the statement of financial position date, and are within level 2 of the fair value hierarchy.

**4 Critical accounting estimates, assumptions and judgements**

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

**a) Estimated impairment of goodwill**

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.11. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit in order to calculate present value. Significant estimates and assumptions used are growth rate and discount rate which reflect risk of the particular cash-generating unit (Note 15). Determination of the assumptions is necessary for the goodwill impairment testing.

**b) Estimated impairment of investment in subsidiary and its assets**

The Group tests impairment of investment in subsidiary whenever and its assets events or changes in circumstances indicate that these carrying amounts are greater than these estimated recoverable amounts. The calculation of fair value less costs to disposal involves significant judgements and assumptions of the management in respect to characteristics and conditions of individual asset, expected disposal period, including the list of total assets expected to be disposed.

## 5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group does not apply any financial ratios to monitor its capital. However, the Group has monitored its debt covenants as specified in the loan agreements and bond issuances (Note 21 and 23).

## 6 Segment information

Segment information is presented in respect of the Group operating segments which are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The operating segments of the Group are as follows:

Petroleum and petrochemical products	: Petroleum trading for household cooking, industry and transportation businesses, and petrochemical trading
Transportation services	: Transportation services by land and ship
Other segment	: Cylinder manufacturing

For the year ended 31 December 2018	Consolidated financial statements				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other segment Million Baht	Elimination entries Million Baht	Total Million Baht
Sales and service income	98,911	2,276	264	(32,929)	68,522
Cost of goods sold and services	(97,379)	(1,844)	(237)	33,198	(66,262)
Gross profit	1,532	432	27	269	2,260
Other income	545	61	12	(37)	581
Profit before operating expenses	2,077	493	39	232	2,841
Unallocated expenses					(2,149)
Share of profit of associates and joint ventures					178
Net profit for the year					870

For the year ended 31 December 2017	Consolidated financial statements				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other segment Million Baht	Elimination entries Million Baht	Total Million Baht
Sales and service income	83,077	2,181	199	(26,305)	59,152
Cost of goods sold and services	(78,480)	(2,021)	(169)	26,464	(54,206)
Gross profit	4,597	160	30	159	4,946
Other income	628	11	28	(190)	477
Profit before operating expenses	5,225	171	58	(31)	5,423
Unallocated expenses					(2,547)
Share of loss of associates and joint ventures					(37)
Net profit for the year					2,839

**6 Segment information (continued)**

**Geographical information**

In presenting geographical information, revenue is based on the geographical location of control in operation management and non-current assets are based on the geographical location of the assets.

For the year ended 31 December	<b>Consolidated financial statements</b>	
	<b>Revenue from sales and services</b>	
	<b>2018</b> <b>Million Baht</b>	<b>2017</b> <b>Million Baht</b>
Domestic	21,739	21,356
Overseas	46,783	37,796
Total	68,522	59,152

  

As at 31 December	<b>Consolidated financial statements</b>	
	<b>Non-current assets</b>	
	<b>2018</b> <b>Million Baht</b>	<b>2017</b> <b>Million Baht</b>
Domestic	12,602	11,280
Overseas	4,192	4,366
Total	16,794	15,646

For the year ended 31 December 2018 and 2017, the Group did not have any major customer who generates revenue more than 10% of total revenue.

**7 Cash and cash equivalents**

As at 31 December	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b> <b>Million Baht</b>	<b>2017</b> <b>Million Baht</b>	<b>2018</b> <b>Million Baht</b>	<b>2017</b> <b>Million Baht</b>
Cash on hand	13	11	3	3
Deposits held at call with banks	2,836	2,579	1,008	298
Total cash and cash equivalents	2,849	2,590	1,011	301

The average interest rate on deposits held at call with banks was ranged between 0.05% to 3.00% per annum (2017: 0.05% to 5.50% per annum).

**8 Short-term investments**

Short-term investments comprise deposits at financial institutions with maturities over three months but not later than one year and trading investments in units of mutual funds. The purpose of these investments is to invest short-term excess cash to achieve a competitive rate of return with low risk.

**Deposits at financial institutions**

The deposits at financial institutions of the Group mainly comprise deposits at financial institutions issued by overseas financial institutions. As at 31 December 2018, total value of deposits at financial institutions is Baht 34 million with interest at 7% per annum (2017: nil).

**8 Short-term investments (continued)**

**Trading investments**

The movement of trading investments is as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Opening balance	99	108	99	108
Additions	550	500	550	500
Redemptions	(550)	(512)	(550)	(512)
Gain on change in fair value of short-term investments	-	3	-	3
Closing balance	99	99	99	99

**9 Trade and other receivables, net**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Trade receivables	4,303	2,715	362	288
<u>Less</u> Allowance for doubtful accounts	(61)	(61)	(5)	(5)
Trade receivables, net	4,242	2,654	357	283
Trade receivables from related parties (Note 34)	20	59	76	207
Other receivables from related parties (Note 34)	-	-	94	98
Prepayments	230	151	56	35
Advance payments	164	119	4	1
Accrued income	3	22	2	-
Receivables on subsidies for liquefied petroleum gas from government	783	1,057	303	528
Other receivables	3	-	-	1
Total trade and other receivables, net	5,445	4,062	892	1,153

The age analysis of trade receivables is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
<b>Trade receivables</b>				
Current	3,550	2,131	243	232
Overdue				
- less than 3 months	315	328	90	42
- 3 months to 12 months	364	179	21	5
- more than 12 months	74	77	8	9
Total	4,303	2,715	362	288
<u>Less</u> Allowance for doubtful accounts	(61)	(61)	(5)	(5)
Total trade receivables, net	4,242	2,654	357	283

**9 Trade and other receivables, net (continued)**

The age analysis of trade receivables from related parties is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
<b>Trade receivables from related parties</b>				
Current	20	59	76	207
Total trade receivables from related parties	20	59	76	207

**10 Inventories, net**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Raw material	33	26	-	-
Work in progress	20	16	-	-
Finished goods				
- Petroleum products	4,736	3,688	892	874
- Petrochemical products	40	28	-	-
- Oil products	131	93	-	-
- Others	12	11	-	-
- Goods in transit	46	117	-	-
Supplies and others	92	104	14	14
Total	5,110	4,083	906	888
<u>Less</u> Allowance for diminution in value of inventories	(292)	(13)	-	-
Total inventories, net	4,818	4,070	906	888

The cost of inventories recognised as expense and included in cost of sales amounting to Baht 60,564 million (2017: Baht 49,052 million) in the consolidated financial statements and amounting to Baht 10,200 million (2017: Baht 9,409 million) in the separate financial statements.

According to regulations issued by the Ministry of Energy, the Group and the Company are required to reserve petroleum products and crude oil at 1% and 1% of the total trading volume of petroleum products and crude oil in Thailand in each period, respectively (2017: 1% and 1%, respectively). As at 31 December 2018, the inventories included minimum mandatory reserved on petroleum products and crude oil amounting to Baht 184 million in the consolidated financial statements, and Baht 83 million in the separate financial statements (2017: Baht 184 million in the consolidated financial statements, and Baht 87 million in the separate financial statements), which were net of allowance for net realisable value.

**11 Other current assets**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
VAT refundable	279	247	125	62
Corporate income tax refundable	3	16	-	-
Deposits for tariff customs	138	60	-	-
Others	46	53	3	9
Total other current assets	466	376	128	71

## 12 Investments in subsidiaries, associates and joint ventures, net

### 12.1 Investments in subsidiaries, net

The movement in investments in subsidiaries is as follows:

For the year ended 31 December	Separate financial statements	
	2018 Million Baht	2017 Million Baht
Opening balance, net	9,594	8,642
Acquisitions	1,117	979
Disposal of investment	-	(24)
Loss from disposal of investment	-	(3)
Impairment charged on investment	(129)	-
Closing balance, net	10,582	9,594

Details of investments in subsidiaries are as follows:

	Country of incorporation	% ownership interest		Type of business
		2018	2017	
Direct Subsidiaries				
Unique Gas and Petrochemicals Public Company Limited	Thailand	99.59	99.59	Petroleum and petrochemical products distribution
Lucky Carrier Company Limited	Thailand	99.99	99.99	Transportation and distribution
Siam Quality Steel Co., Ltd.	Thailand	99.99	99.99	Manufacturing and distribution of LPG cylinders
Siam Ethanol Exports Co., Ltd. <sup>(8)</sup>	Thailand	70.00	70.00	Manufacturing of ethanol products (ceased its operation)
Siam Lucky Marine Co., Ltd. <sup>(7)</sup>	Thailand	56.00	45.86	Transportation services
Siam Suksawat Co., Ltd.	Thailand	100.00	100.00	Transportation and discharge goods, petroleum product distribution
Siam LNG Company Limited <sup>(4)</sup>	Thailand	99.99	-	Petroleum products distribution
Siam Gas HK Limited	Hong Kong	100.00	100.00	Holding business
Super Gas Co., Ltd.	Vietnam	100.00	100.00	Petroleum products distribution
SingGas (LPG) Pte. Ltd.	Singapore	95.00	95.00	Petroleum products distribution
Siam Gas Trading Pte. Ltd.	Singapore	100.00	100.00	Petroleum products distribution
MyGaz Sdn. Bhd.	Malaysia	70.00	70.00	Petroleum products distribution
Siamgas Myanmar Consortium Pte. Ltd. <sup>(1)</sup>	Singapore	-	80.00	Holding business
Siam Gas Power Pte. Ltd. <sup>(2)</sup>	Singapore	100.00	100.00	Holding business
Siamgas Global Investment Pte. Ltd. <sup>(3)</sup>	Singapore	100.00	100.00	Holding business
Far East Petroleum Sdn. Bhd. <sup>(6)</sup>	Malaysia	95.00	70.00	Petroleum products distribution, warehousing and storage service



**12 Investments in subsidiaries, associates and joint ventures, net (continued)**

**12.1 Investments in subsidiaries, net (continued)**

Details of investments in subsidiaries are as follows: (continued)

	Country of incorporation	% ownership interest		Type of business
		2018	2017	
Indirect Subsidiaries				
Siam Lucky Marine Co., Ltd. Held by: - Unique Gas and Petrochemicals Public Company Limited - Lucky Carrier Company Limited	Thailand	12.00 32.00	14.77 39.37	Transportation services
Sino Siam Gas and Petrochemical Co., Ltd.  Held by: - Siam Gas HK Limited	The People's Republic of China	100.00	100.00	Petroleum and petrochemical products distribution
Siam Ocean Gas & Energy Limited  Held by: - Siam Gas HK Limited	The People's Republic of China	100.00	100.00	Petroleum and petrochemical products distribution
Siamgas-J&J International Ltd.  Held by: - Siamgas Global Investment Pte. Ltd.	Bangladesh	80.00	80.00	Petroleum and petrochemical products distribution
Siamgas Bangladesh Ltd.  Held by: - Siamgas-J&J International Ltd.	Bangladesh	99.90	99.90	Petroleum and petrochemical products distribution
Pacific Gas Bangladesh Ltd. <sup>(5)</sup>  Held by: - Siamgas Global Investment Pte. Ltd.	Bangladesh	90.00	-	Petroleum and petrochemical products distribution

**12 Investments in subsidiaries, associates and joint ventures, net (continued)**

**12.1 Investments in subsidiaries, net (continued)**

Details of investments in subsidiaries are as follows: (continued)

As at 31 December	Separate financial statements	
	Cost Method	
	2018 Million Baht	2017 Million Baht
Unique Gas and Petrochemicals Public Company Limited	2,105	2,105
Lucky Carrier Company Limited	70	70
Siam Quality Steel Co., Ltd.	70	70
Siam Ethanol Exports Co., Ltd. <sup>(8)</sup>	280	280
Siam Lucky Marine Co., Ltd. <sup>(7)</sup>	308	205
Siam Suksawat Co., Ltd.	100	100
Siam LNG Company Limited <sup>(4)</sup>	385	-
Siam Gas HK Limited	4,088	4,088
Super Gas Co., Ltd.	388	388
SingGas (LPG) Pte. Ltd.	427	427
Siam Gas Trading Pte. Ltd.	12	12
MyGaz Sdn. Bhd.	84	84
Siam Gas Power Pte. Ltd. <sup>(2)</sup>	2,366	1,787
Siamgas Myanmar Consortium Pte. Ltd. <sup>(1)</sup>	-	-
Siamgas Global Investment Pte. Ltd. <sup>(3)</sup>	66	37
Far East Petroleum Sdn. Bhd. <sup>(6)</sup>	83	62
Total investment in subsidiaries	10,832	9,715
<u>Less</u> Impairment charge	(250)	(121)
Total investments in subsidiaries, net	10,582	9,594

Changes of investments in subsidiaries during the year are as follows:

- (1) On 18 October 2017, the Company's Board of Directors' meeting passed a resolution to approve the liquidation of Siamgas Myanmar Consortium Pte. Ltd. Such subsidiary completed a liquidation process on 5 February 2018.
- (2) During the year 2018, Siam Gas Power Pte. Ltd. ("SPW"), incorporated in Singapore, registered an increase of its share capital of 17.86 million shares at par value of USD 1 each or approximately to Baht 579.02 million. The number of shares increased from 51.02 million shares to 68.88 million shares with a par value of USD 1 each. The Company has already paid the capital increase to SPW. As a result, the Company's ownership interest remains unchanged at 100%. The registration was completed during the year.
- (3) During the year 2018, Siamgas Global Investment Pte. Ltd. ("SGI") entered into a joint venture agreement for trading of petroleum products in Bangladesh. SGI's ownership interest is 90% of registered and paid up capital. The source of fund is from the net working capital of the Group. On 22 February 2018, the Board of Directors' meeting of the Company passed a resolution to approve an increase in the share capital of SGI of 16 million shares at a par value of USD 1 each or approximately Baht 522.89 million. The number of shares increased from 1.10 million shares to 17.10 million shares with a par value of USD 1 each. The Company's ownership remains unchanged at 100%.

As at 31 December 2018, SGI partially registered an increase of its share capital of 0.93 million shares or Baht 29.55 million. The remaining are still in the process.

- (4) On 3 May 2018, the Company established Siam LNG Company Limited, in Thailand, with 10 million shares at par value of Baht 100, totalling Baht 1,000 million. The Company owns 99.99% of total shares. During the year 2018, The Company partially paid for 10 million shares at Baht 38.50 per share, amounting to Baht 385 million. The business objective of the subsidiary is petroleum products distribution.

## 12 Investments in subsidiaries, associates and joint ventures, net (continued)

### 12.1 Investments in subsidiaries, net (continued)

Changes of investments in subsidiaries during the year are as follows: (continued)

- (5) On 16 May 2018, Siamgas Global Investment Pte. Ltd., the subsidiary of the Company, established Pacific Gas Bangladesh Ltd. ("PGB"), in Bangladesh, with 400,000 shares at a par value of BDT 10,000 each. The business objective is petroleum product distribution in Bangladesh. The Group's ownership interest is 90.00% with paid-up capital of BDT 36 million or approximately Baht 13.73 million during the year.
- (6) On 6 August 2018, the Company entered into the share purchase agreement with a third party to acquire an 25% shareholding interest in or 2.50 million shares of Far East Petroleum Sdn. Bhd. at a par value of MYR 1.00 each, totalling MYR 2.50 million or Baht 20.47 million. The payment was made in August 2018. As a result, the Company's ownership interest increased from 70.00% to 95.00%.
- (7) On 7 August 2018, at the Board of Directors' meeting of the Company, it passed a resolution to approve the increase of share capital of Siam Lucky Marine Co., Ltd. to entitle to the privileges of the Board of Investment. The capital increase is of Baht 103 million with 10.30 million shares at par value of Baht 10 each. The Group still maintains 100% ownership interest in the subsidiary. The registration was completed in October 2018.
- (8) As at 31 December 2018, the Company recognised impairment loss on investment in Siam Ethanol Exports Co., Ltd. amounting to Baht 129 million because the ethanol business operation did not operate as plan and has ceased its operation. The major assets of this subsidiary are property, plant and equipment. In management's assessment of the impairment testing, the recoverable amount of investment in the subsidiary is based on the fair value less costs to disposal of net assets.

### 12.2 Investments in associates

The movements in investments in associates are as follows:

**For the year ended 31 December 2018**

	<b>Consolidated financial statements Equity method Million Baht</b>
Opening balance	1,641
Acquisitions	568
Share of profit	192
Currency translation differences	(25)
Closing balance	<u>2,376</u>

Details of investments in associates are as follows:

	<b>Country of incorporation</b>	<b>% ownership interest</b>		
		<b>2018</b>	<b>2017</b>	<b>Type of business</b>
<b>Indirect associates</b>				
(held by: Siam Gas Power Pte. Ltd.)				
MSN International Limited <sup>(9) (10) (11)</sup>	Malaysia	41.10	30.00	Energy related business services
Asiatech Energy Pte. Ltd. <sup>(9) (10) (11)</sup>	Singapore	41.10	30.00	Energy related business services
Myanmar Lighting (IPP) Co., Ltd. <sup>(9) (10) (11)</sup>	Myanmar	41.10	30.00	Electricity generating business
Southern Myanmar Development Co., Ltd.	Myanmar	33.00	33.00	Electricity generating business
Asiatech Infrastructure Co. Pte. Ltd.	Singapore	33.00	33.00	Energy related business services
TSM Co., Ltd.	Malaysia	33.00	33.00	Energy related business services

**12 Investments in subsidiaries, associates and joint ventures, net (continued)**

**12.2 Investments in associates (continued)**

Details of investments in associates are as follows: (continued)

As at 31 December	Consolidated financial statements	
	Equity Method	
	2018 Million Baht	2017 Million Baht
MSN International Limited <sup>(9)(10)(11)</sup>	513	328
Asiatech Energy Pte. Ltd. <sup>(9)(10)(11)</sup>	2	1
Myanmar Lighting (IPP) Co., Ltd. <sup>(9)(10)(11)</sup>	1,857	1,312
Southern Myanmar Development Co., Ltd.	-	-
Asiatech Infrastructure Co. Pte. Ltd.	-	-
TSM Co., Ltd.	4	-
Total	2,376	1,641

Changes of investments in associates during the year are as follows:

- <sup>(9)</sup> The Group's details of total purchase consideration and estimated fair value of net assets acquired based on proportion of investment at 30.00% of each associate which the Group acquired in May 2017 are as follows:

	MSN International Limited Million Baht	Asiatech Energy Pte. Ltd. Million Baht	Myanmar Lighting (IPP) Co., Ltd. Million Baht	Total Million Baht
Trade receivables	904	-	63	967
Other receivable from related party	35	-	-	35
Finance lease receivable	-	-	1,067	1,067
Right in power purchase agreement	-	-	1,330	1,330
Long-term loans to related party	-	1,377	-	1,377
Other payables to related party	-	(888)	-	(888)
Borrowings from financial institutions	-	(473)	-	(473)
Borrowings from related parties	(555)	-	(1,196)	(1,751)
Deferred income tax liabilities	-	-	(297)	(297)
Liabilities less other assets	(3)	(16)	(146)	(165)
Total fair value of net assets acquired	381	-	821	1,202
Goodwill (Presented as a part of investments in associates)	17	-	458	475
Total purchase consideration	398	-	1,279	1,677

During the year 2018, the Group had completely measured the fair value of the identifiable assets acquired and liabilities assumed of three associates to comply with the measurement period for a business combination stated in TFRS 3 (Revised 2017) "Business combinations". The determination of fair value does not materially impact to the consolidated financial statements for the year ended 31 December 2017. The Group amortises the right in power purchase agreement by straight-line method over the remaining period of the power purchase agreement of MLIPP which is 27 years.

**12 Investments in subsidiaries, associates and joint ventures, net (continued)**

**12.2 Investments in associates (continued)**

Changes of investments in associates during the year are as follows: (continued)

- (10) In November 2017, SPW entered into a share purchase agreement for acquisition of additional investment in a combined cycle power plant in Myanmar. SPW has additionally purchased shares of three companies which are Myanmar Lighting (IPP) Co., Ltd. ("MLIPP"), MSN International Limited ("MSN") and Asiatech Energy Pte. Ltd. ("AEPL") in the same proportion of 6.1% of registered and paid up capital in each company, in order to increase the shares in the combined cycle power plant, with a total consideration of USD 9.76 million or equivalent to Baht 305.89 million. The funds come from the net working capital of the Group. SPW paid for shares capital to sellers of USD 2 million or equivalent to Baht 65.36 million in November 2017 and paid for the remaining balance of USD 7.76 million or equivalent to Baht 240.53 million to sellers in January 2018. As a result, SPW's ownership interest was increased to 36.10% of registered and paid-up shares and the transfer of shares was completed on 1 February 2018.

The details of investment and estimated fair value of net assets acquired based on proportion of investment at 6.10% of each associate are described below:

	<b>MSN International Limited Million Baht</b>	<b>Asiatech Energy Pte. Ltd. Million Baht</b>	<b>Myanmar Lighting (IPP) Co., Ltd. Million Baht</b>	<b>Total Million Baht</b>
Trade receivables	162	-	8	170
Finance lease receivable	-	-	225	225
Right in power purchase agreement	-	-	247	247
Long-term loans to related party	-	247	-	247
Other payables to related parties	-	(172)	(45)	(217)
Borrowings from financial institutions	-	(79)	-	(79)
Borrowings from related parties	(102)	-	(214)	(316)
Deferred income tax liabilities	-	-	(57)	(57)
Liabilities less other assets	-	4	4	8
Total fair value of net assets acquired	60	-	168	228
Goodwill (Presented as a part of investments in associates)	13	-	65	78
Total purchase consideration	73	-	233	306

During the year 2018, the Group had completely measured the fair value of the identifiable assets acquired and liabilities assumed of three associates to comply with the measurement period for a business combination stated in TFRS 3 (Revised 2017) "Business combinations". The Group amortises the right in power purchase agreement by straight-line method over the remaining period of the power purchase agreement of MLIPP which is 26 years.

- (11) In August 2018, SPW entered into a share purchase agreement for acquisition of additional investment in a combined cycle power plant in Myanmar. SPW has additionally purchased shares of three companies which are Myanmar Lighting (IPP) Co., Ltd. ("MLIPP"), MSN International Limited ("MSN") and Asiatech Energy Pte. Ltd. ("AEPL") in the same proportion of 5% of registered and paid up capital in each company, in order to increase the shares in the combined cycle power plant, with a total consideration of USD 8 million or equivalent to Baht 262.07 million. The funds come from the net working capital of the Group. SPW paid for shares capital to sellers of USD 2.4 million or equivalent to Baht 62.18 million in August 2018 and paid for the remaining balance of USD 5.60 million or equivalent to Baht 199.89 million to sellers in November 2018. As a result, SPW's ownership interest was increased to 41.10% of registered and paid-up shares and the transfer of shares was completed on 12 December 2018.

**12 Investments in subsidiaries, associates and joint ventures, net (continued)**

**12.2 Investments in associates (continued)**

The details of investment and estimated fair value of net assets acquired based on proportion of investment at 5% of each associate are described below:

	<b>MSN International Limited Million Baht</b>	<b>Asiatech Energy Pte. Ltd. Million Baht</b>	<b>Myanmar Lighting (IPP) Co., Ltd. Million Baht</b>	<b>Total Million Baht</b>
Trade receivables	-	-	4	4
Other receivables from related parties	188	-	-	188
Finance lease receivable	-	-	235	235
Right in power purchase agreement	-	-	211	211
Long-term loans to related party	-	192	(49)	143
Other payables to related parties	-	(150)	-	(150)
Borrowings from financial institutions	-	(42)	-	(42)
Borrowings from related parties	(130)	-	(150)	(280)
Deferred income tax liabilities	-	-	(52)	(52)
Liabilities less other assets	3	-	1	4
Total fair value of net assets acquired	61	-	200	261
Goodwill (Presented as a part of investments in associates)	1	-	-	1
Total purchase consideration	62	-	200	262

During the year 2018, the Group had completely measured the fair value of the identifiable assets acquired and liabilities assumed of three associates to comply with the measurement period for a business combination stated in TFRS 3 (Revised 2017) "Business combinations". The Group amortises the right in power purchase agreement by straight-line method over the remaining period of the power purchase agreement of MLIPP which is 25 years.

Key financial information of the Group's in Myanmar Lighting (IPP) Co., Ltd. is as follow:

<b>For the year ended 31 December 2018</b>	<b>Financial information* Million Baht</b>	<b>Investment Group proportion Million Baht</b>
Current assets	4,061	1,669
Non-current assets	4,113	1,691
Total assets	8,174	3,360
Current liabilities	1,047	431
Non-current liabilities	3,881	1,595
Total liabilities	4,928	2,026
Net assets	3,246	1,334
Revenue	1,159	476
Net profit	283	117
Other comprehensive expense	(30)	(13)
Total comprehensive income	253	104

\* The information above reflects the amounts presented in the financial statements of the associate adjusted for differences in accounting policies between the Group and the associate (and not the Group's share of those amounts).

**12 Investments in subsidiaries, associates and joint ventures, net (continued)**

**12.2 Investments in associates (continued)**

**Reconciliation of summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates.

**Summarised financial information**

	<b>Myanmar Lighting (IPP) Co., Ltd. Million Baht</b>
<b>Net assets at the end of the year</b>	3,246
Proportion of the Group:	
Interest in associates	1,334
Goodwill	523
	<hr/>
Carrying value	1,857

**12.3 Investments in joint ventures**

The movement in investments in joint ventures are as follows:

<b>For the year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Opening balance	108	101	24	24
Acquisitions	23	28	-	-
Share of loss	(14)	(5)	-	-
Currency translation differences	(9)	(16)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Closing balance	108	108	24	24

Details of investments in joint ventures are as follows:

	Country of incorporation	% ownership interest		Type of business
		2018	2017	
Direct joint ventures				
Citygas North Co., Ltd. *	Vietnam	79.64	79.64	Petroleum products distribution
SG Gas Sdn. Bhd. *	Malaysia	29.99	29.99	Petrochemical products distribution
Siam Nathalin Co., Ltd.	Thailand	50.00	50.00	Vessel transportation, food and beverage
Indirect joint ventures (held by Siamgas Global Investment Pte. Ltd.)				
PT Siamindo Djojo Terminal *	Indonesia	55.00	55.00	Petroleum products distribution
KMA Siam Limited <sup>(12)</sup> *	Myanmar	65.00	-	Petroleum products distribution

\* According to Joint Venture Agreement with a third party has determined the management structure including strategic financial decisions and operations, with voting rights from all shareholders or the representative of each party, so this is classified as investments in joint ventures of the Group

**12 Investments in subsidiaries, associates and joint ventures, net (continued)**

**12.3 Investments in joint ventures (continued)**

Details of investments in joint ventures are as follows: (continued)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Equity Method</b>		<b>Cost Method</b>	
	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>
<b>As at 31 December</b>				
<b>Direct joint ventures</b>				
Citygas Noth Co., Ltd.	67	81	20	20
SG Gas Sdn. Bhd.	-	-	3	3
Siam Nathalin Co., Ltd.	1	1	1	1
	<u>68</u>	<u>82</u>	<u>24</u>	<u>24</u>
<b>Indirect joint ventures</b>				
PT Siamindo Djojo Terminal	25	26	-	-
KMA Siam Limited <sup>(12)</sup>	15	-	-	-
	<u>40</u>	<u>26</u>	<u>-</u>	<u>-</u>
<b>Total investments in joint ventures</b>	<u>108</u>	<u>108</u>	<u>24</u>	<u>24</u>

<sup>(12)</sup> In March 2018, Siamgas Global Investment Pte. Ltd. ("SGI"), which is a subsidiary of the Company, established KMA Siam Limited, a joint venture, incorporated in Myanmar with 1.51 million shares at a par value of USD 10 each. The subsidiary entered into a Joint Venture Agreement with a third party. The business objective is petroleum products distribution in Myanmar. The Group's ownership is 65.00% of total share capital. The joint venture agreement of KMA Siam Limited has determined the management structure including strategic financial decisions and operations, with voting rights from all shareholders or the representative of each party, so this is classified as investments in joint ventures of the Group. As at 31 December 2018, SGI paid-up capital of USD 0.70 million or approximately Baht 22.79 million during the year and the remainings are still in the registration process.

**Individually immaterial joint ventures**

The Group has interests in a immaterial joint ventures that are accounted for using the equity method.

**For the year ended 31 December**

	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>
<b>Aggregate carrying amount of individually immaterial joint ventures</b>	<u>108</u>	<u>108</u>
<b>Aggregate amounts of the Group's share of:</b>		
Profit from continuing activities	4	12
Other comprehensive expense	<u>(9)</u>	<u>(16)</u>
<b>Total comprehensive expense</b>	<u>(5)</u>	<u>(4)</u>



**13 Property, plant and equipment, net**

Consolidated financial statements										
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas vessels Million Baht	Gas cylinders Million Baht	Machine, factory tools and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
<b>As at 1 January 2017</b>										
Cost - Historical cost	2,403	8,398	2,723	4,326	5,757	2,679	2,146	1,465	290	30,187
- Revaluation surplus	1,242	-	-	-	-	-	-	-	-	1,242
	3,645	8,398	2,723	4,326	5,757	2,679	2,146	1,465	290	31,429
<u>Less</u> Accumulated depreciation	-	(4,845)	(1,250)	(1,555)	(3,710)	(1,579)	(1,890)	(868)	-	(15,697)
Net book value	3,645	3,553	1,473	2,771	2,047	1,100	256	597	290	15,732
<b>For the year ended 31 December 2017</b>										
Opening net book value	3,645	3,553	1,473	2,771	2,047	1,100	256	597	290	15,732
Additions	-	-	11	750	348	12	18	52	347	1,538
Transfers	-	9	32	187	6	-	7	7	(248)	-
Reclassify to other asset	(4)	(1)	(1)	-	-	-	-	-	-	(6)
Write-offs and disposals, net	-	-	-	(2)	(3)	-	(2)	(8)	(10)	(25)
Currency translation differences	-	(104)	(4)	(231)	(20)	(22)	(7)	-	-	(388)
Impairment charge	-	-	-	-	-	(28)	-	-	-	(28)
Depreciation charge	-	(174)	(59)	(542)	(189)	(142)	(25)	(46)	-	(1,177)
Closing net book value	3,641	3,283	1,452	2,933	2,189	920	247	602	379	15,646
<b>As at 31 December 2017</b>										
Cost - Historical cost	2,399	8,038	2,743	4,585	5,460	2,384	2,050	1,484	379	29,522
- Revaluation surplus	1,242	-	-	-	-	-	-	-	-	1,242
	3,641	8,038	2,743	4,585	5,460	2,384	2,050	1,484	379	30,764
<u>Less</u> Accumulated depreciation	-	(4,755)	(1,291)	(1,652)	(3,271)	(1,436)	(1,803)	(882)	-	(15,090)
<u>Less</u> Provision for impairment	-	-	-	-	-	(28)	-	-	-	(28)
Net book value	3,641	3,283	1,452	2,933	2,189	920	247	602	379	15,646

**13 Property, plant and equipment, net (continued)**

	Consolidated financial statements									
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas vessels Million Baht	Gas cylinders Million Baht	Machine, factory tools and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
For the year ended 31 December 2018										
Opening net book value	3,641	3,283	1,452	2,933	2,189	920	247	602	379	15,646
Additions	883	45	23	578	334	38	24	31	550	2,506
Transfers	7	8	95	108	3	36	27	20	(304)	-
Reclassify to Investment property, net	(104)	(3)	(6)	-	-	-	-	-	-	(113)
Write-offs and disposals, net	(20)	(2)	(11)	(1)	(3)	-	(4)	(10)	(5)	(56)
Currency translation differences	-	(37)	(1)	(21)	(20)	(45)	(11)	-	(5)	(140)
Impairment charge	-	-	-	-	-	(93)	-	-	-	(93)
Depreciation charge	-	(156)	(97)	(492)	(197)	(85)	(16)	(41)	-	(1,084)
Closing net book value	4,407	3,138	1,455	3,105	2,306	771	267	602	615	16,666
As at 31 December 2018										
Cost - Historical cost	3,219	7,776	2,804	5,154	5,756	2,386	1,987	1,511	615	31,208
- Revaluation surplus	1,188	-	-	-	-	-	-	-	-	1,188
	4,407	7,776	2,804	5,154	5,756	2,386	1,987	1,511	615	32,396
Less Accumulated depreciation	-	(4,638)	(1,349)	(2,049)	(3,450)	(1,494)	(1,720)	(909)	-	(15,609)
Less Provision for impairment	-	-	-	-	-	(121)	-	-	-	(121)
Net book value	4,407	3,138	1,455	3,105	2,306	771	267	602	615	16,666

13 Property, plant and equipment, net (continued)

	Separate financial statements							
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas cylinders Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
<b>As at 1 January 2017</b>								
Cost - Historical cost	1,998	801	958	934	51	83	64	4,889
- Revaluation	940	-	-	-	-	-	-	940
	2,938	801	958	934	51	83	64	5,829
<u>Less</u> Accumulated depreciation	-	(73)	(183)	(433)	(23)	(44)	-	(756)
Net book value	2,938	728	775	501	28	39	64	5,073
<b>For the year ended 31 December 2017</b>								
Opening net book value	2,938	728	775	501	28	39	64	5,073
Additions	-	-	5	73	2	16	17	113
Transfers	-	4	7	-	-	-	(11)	-
Write-offs and disposals, net	-	-	-	(1)	-	(2)	(10)	(13)
Depreciation charge	-	(28)	(26)	(51)	(5)	(5)	-	(115)
Closing net book value	2,938	704	761	522	25	48	60	5,058
<b>As at 31 December 2017</b>								
Cost - Historical cost	1,998	802	969	1,006	53	96	60	4,984
- Revaluation	940	-	-	-	-	-	-	940
	2,938	802	969	1,006	53	96	60	5,924
<u>Less</u> Accumulated depreciation	-	(98)	(208)	(484)	(28)	(48)	-	(866)
Net book value	2,938	704	761	522	25	48	60	5,058

13 Property, plant and equipment, net (continued)

	Separate financial statements							
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas cylinders Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
<b>For the year ended 31 December 2018</b>								
Opening net book value	2,938	704	761	522	25	48	60	5,058
Additions	24	4	5	90	2	12	217	354
Transfers	-	1	8	-	-	-	(9)	-
Reclassify to Investment property, net	(104)	(3)	(8)	-	-	-	-	(115)
Write-offs and disposals, net	(20)	(2)	-	(1)	(1)	(1)	(1)	(26)
Depreciation charge	-	(25)	(25)	(57)	(4)	(7)	-	(118)
Closing net book value	2,838	679	741	554	22	52	267	5,153
<b>As at 31 December 2018</b>								
Cost - Historical cost	1,955	799	940	1,095	54	106	267	5,216
- Revaluation	883	-	-	-	-	-	-	883
	2,838	799	940	1,095	54	106	267	6,099
<u>Less</u> Accumulated depreciation	-	(120)	(199)	(541)	(32)	(54)	-	(946)
Net book value	2,838	679	741	554	22	52	267	5,153

**13 Property, plant and equipment, net (continued)**

**Fair value of land**

The table below analyses non financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

<b>Consolidated financial statements</b>			
<b>Fair value measurements at 31 December 2018</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Recurring fair value measurements</b>			
Land	-	4,407	-
<b>Separate financial statements</b>			
<b>Fair value measurements at 31 December 2018</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Recurring fair value measurements</b>			
Land	-	2,838	-

There were no transfers between levels 1 and level 2 during the year.

Level 2 fair values of land have been derived using the market comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square wah.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Process of land appraisal of the Group

The Group's finance department includes a team that performs the valuations of land required for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held among the CFO, the valuation team and independent valuer at least five years a time.

**Assets pledged as collateral**

As at 31 December 2018, certain of gas vessels of a subsidiary with net book value of Baht 2,221.00 million (2017: Baht 2,424.61 million) have been pledged as collateral for loans from local commercial banks (Note 21).

**14 Investment property, net**

	<b>Consolidated financial information 2018 Million Baht</b>	<b>Separate financial information 2018 Million Baht</b>
<b>For the year ended 31 December</b>		
Opening net book amount	-	-
Additions	-	555
Transfers from property, plant and equipment	113	115
Transfers from other assets	15	-
Depreciation for the period	-	-
Closing net book amount	<u>128</u>	<u>670</u>
<b>As at 31 December 2018</b>		
Cost	165	707
<u>Less</u> Accumulated depreciation	<u>(37)</u>	<u>(37)</u>
Net book value	<u>128</u>	<u>670</u>
Fair value	<u>128</u>	<u>670</u>

**15 Goodwill, net**

The movement of goodwill can be analysed as follows:

	<b>Consolidated financial statements 2018 Million Baht</b>	<b>2017 Million Baht</b>
<b>For the year ended 31 December</b>		
Goodwill	1,538	1,538
<u>Less</u> Provision for impairment	<u>(22)</u>	<u>(22)</u>
Goodwill, net	<u>1,516</u>	<u>1,516</u>

The Group's management considered the business of petroleum and petrochemical products located in each country as a cash generation unit ("CGU").

A segment-level summary of the goodwill allocation is presented below.

	Consolidated financial statements			
	2018			
	Thailand	Vietnam	Singapore	Total
Goodwill allocation (Million Baht)	1,152	227	137	1,516

  

	Consolidated financial statements			
	2017			
	Thailand	Vietnam	Singapore	Total
Goodwill allocation (Million Baht)	1,152	227	137	1,516

**Impairment tests for goodwill**

Goodwill arising from the acquisition of investment in the business of petroleum and petrochemical products in each country is tested annually for impairment by comparing the carrying amount to the recoverable amount for each cash-generating unit which is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

	<b>Thailand</b>	<b>Vietnam</b>	<b>Singapore</b>
Growth rate	1.00%	2.98%	2.77%
Discount rate	9.38%	8.38%	9.17%

If the assumptions used in the calculation on impairment tests for goodwill change, the business growth rate decreased by 1.00% per annum or discount rate increased by 1.00% per annum, there is still no impairment of goodwill.

16 Intangible assets, net

Consolidated financial statements			
2018			
	Customer relationship Million Baht	Computer software Million Baht	Total Million Baht
<b>As at 1 January</b>			
Cost	244	52	296
<u>Less</u> Accumulated amortisation	(151)	(37)	(188)
Net book amount	93	15	108
<b>For the year ended 31 December</b>			
Opening net book amount	93	15	108
Amortisation charge	(32)	(2)	(34)
Currency translation differences	-	(1)	(1)
Closing net book amount	61	12	73
<b>As at 31 December</b>			
Cost	240	52	292
<u>Less</u> Accumulated amortisation	(179)	(40)	(219)
Net book amount	61	12	73

  

Consolidated financial statements			
2017			
	Customer relationship Million Baht	Computer software Million Baht	Total Million Baht
<b>As at 1 January</b>			
Cost	255	84	339
<u>Less</u> Accumulated amortisation	(122)	(76)	(198)
Net book amount	133	8	141
<b>For the year ended 31 December</b>			
Opening net book amount	133	8	141
Additions	-	9	9
Amortisation charge	(32)	(2)	(34)
Currency translation differences	(8)	-	(8)
Closing net book amount	93	15	108
<b>As at 31 December</b>			
Cost	244	52	296
<u>Less</u> Accumulated amortisation	(151)	(37)	(188)
Net book amount	93	15	108

**16 Intangible assets, net (continued)**

	Separate financial statements	
	2018	2017
	Computer software Million Baht	Computer software Million Baht
<b>As at 1 January</b>		
Cost	17	14
<u>Less</u> Accumulated amortisation	(14)	(13)
Net book amount	<u>3</u>	<u>1</u>
<b>For the year ended 31 December</b>		
Opening net book amount	3	1
Additions	-	3
Amortisation charge	(1)	(1)
Closing net book amount	<u>2</u>	<u>3</u>
<b>As at 31 December</b>		
Cost	17	17
<u>Less</u> Accumulated amortisation	(15)	(14)
Net book amount	<u>2</u>	<u>3</u>

**17 Deferred income taxes, net**

Deferred tax assets and deferred tax liabilities in statement of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Deferred tax assets	243	151	-	-
Deferred tax liabilities	(341)	(377)	(26)	(91)
Deferred tax assets (liabilities), net	<u>(98)</u>	<u>(226)</u>	<u>(26)</u>	<u>(91)</u>

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	2	34	4	24
Deferred tax asset to be recovered after more than 12 months	327	165	124	37
	<u>329</u>	<u>199</u>	<u>128</u>	<u>61</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liability to be settled within 12 months	(8)	-	-	-
Deferred tax liability to be settled after more than 12 months	(419)	(425)	(154)	(152)
	<u>(427)</u>	<u>(425)</u>	<u>(154)</u>	<u>(152)</u>
<b>Deferred tax liabilities, net</b>	<u>(98)</u>	<u>(226)</u>	<u>(26)</u>	<u>(91)</u>



**17 Deferred income taxes, net** (continued)

The gross movement of the deferred income tax account is as follows:

	<b>Consolidated financial statements</b>		<b>Separate Financial statements</b>	
	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>
As at 1 January	(226)	44	(91)	(88)
(Charged)/credited to profit or loss (Note 31)	135	(259)	65	(4)
(Charged)/credited directly to other comprehensive income	(7)	(11)	-	1
As at 31 December	<u>(98)</u>	<u>(226)</u>	<u>(26)</u>	<u>(91)</u>

**17 Deferred income taxes, net** (continued)

The movement in deferred tax assets and liabilities during the year 2018 and 2017, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Consolidated financial statements					
	Charged/credited to			Charged/credited to		
As at 1 January 2017 Million Baht	Profit or loss Million Baht	Comprehensive income Million Baht	As at 31 December 2017 Million Baht	Profit or loss Million Baht	Comprehensive income Million Baht	As at 31 December 2018 Million Baht
<b>Deferred tax assets</b>						
Allowance for doubtful accounts	5	(1)	-	4	(1)	3
Allowance for diminution in value of inventories	-	-	-	3	-	3
Employee benefit obligation	28	3	-	2	-	33
Remeasurements of post-employment benefit obligations	(1)	-	1	-	-	-
Gain on sales of goods/assets within the Group	76	(26)	-	(14)	-	36
Tax loss carried forwards	365	(252)	-	137	-	250
Others	1	-	-	3	-	4
<b>Deferred tax assets, gross</b>	<b>474</b>	<b>(276)</b>	<b>1</b>	<b>130</b>	<b>-</b>	<b>329</b>
<b>Deferred tax liabilities</b>						
Differences on depreciation	(148)	(16)	-	(23)	-	(187)
Fair value adjustments from business acquisition	(55)	3	-	7	-	(45)
Valuation surplus on land	(197)	-	-	-	-	(197)
Effect of currency translation on tax base	(30)	33	(12)	18	(7)	2
Others	-	(3)	-	3	-	-
<b>Deferred tax liabilities, gross</b>	<b>(430)</b>	<b>17</b>	<b>(12)</b>	<b>5</b>	<b>(7)</b>	<b>(427)</b>
<b>Deferred tax assets (liabilities), net</b>	<b>44</b>	<b>(259)</b>	<b>(11)</b>	<b>135</b>	<b>(7)</b>	<b>(98)</b>

17 Deferred income taxes, net (continued)

The movement in deferred tax assets and liabilities during the year 2018 and 2017, is as follows:

				Separate financial statements		
	As at 1 January 2017 Million Baht	Charged/credited to		As at 31 December 2017 Million Baht	Charged/credited to	
		Profit or loss Million Baht	Comprehensive income Million Baht		Profit or loss Million Baht	Comprehensive income Million Baht
<b>Deferred tax assets</b>						
Allowance for doubtful accounts	1	-	-	1	-	-
Provision for impairment from investment of subsidiaries	24	-	-	24	26	-
Employee benefit obligation	11	-	-	11	1	-
Remeasurements of post-employment benefit obligations	(1)	-	1	-	-	-
Loss carried forwards	25	(2)	-	23	40	-
Others	2	-	-	2	-	-
<b>Deferred tax assets, gross</b>	<b>62</b>	<b>(2)</b>	<b>1</b>	<b>61</b>	<b>67</b>	<b>-</b>
<b>Deferred tax liabilities</b>						
Differences on depreciation	(12)	(2)	-	(14)	(2)	-
Valuation surplus on land	(138)	-	-	(138)	-	-
<b>Deferred tax liabilities, gross</b>	<b>(150)</b>	<b>(2)</b>	<b>-</b>	<b>(152)</b>	<b>(2)</b>	<b>-</b>
<b>Deferred tax assets (liabilities), net</b>	<b>(88)</b>	<b>(4)</b>	<b>1</b>	<b>(91)</b>	<b>65</b>	<b>-</b>

Deferred income tax assets are recognised for tax losses and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of Baht 82 million (2017: Baht 69 million) in respect of losses amounting to Baht 409 million (2017: Baht 347 million) that can be carried forward against future taxable income within 2018 to 2022.

**18 Other non-current assets**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Accrued interest income on loans to related companies (Note 34)	-	-	217	188
Deposits at bank used as collateral	37	74	-	-
Deposits	19	17	7	7
Corporate income tax refundable	140	113	114	92
Advance payments for purchases of equipment	86	233	73	224
Deposits for investment in associates (Note 12.2)	-	97	-	-
Prepayment for investments in subsidiaries	-	-	36	-
Deferred charge	50	23	-	-
Prepaid rental	494	414	80	37
Leasehold	25	45	-	-
Others	1	54	-	1
<b>Total other non-current assets</b>	<b>852</b>	<b>1,070</b>	<b>527</b>	<b>549</b>

**19 Short-term loans from financial institutions, net**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Short-term loans from financial institutions, net	4,989	1,501	600	1,233

As at 31 December 2018, the Group has short-term trust receipts and promissory notes from commercial banks with unsecured represented in US Dollar amounting to USD 135.24 million, which is equivalent to Baht 4,389 million, and Thai Baht amounting to Baht 600 million for the Group and Thai Baht amounting 600 million for the Company, which bear interest rates at the range of 1.90% - 2.77% per annum and 1.90% per annum, respectively. (31 December 2017: represented in USD amounting to USD 20.01 million, which is equivalent to Baht 656 million and Thai Baht amounting to Baht 845 million for the Group and represented in USD amounting to USD 11.81 million, which is equivalent to Baht 388 million and Thai Baht amounting to Baht 845 million for the Company, which bear interest rates at the range of 1.25% - 1.85% per annum and 1.25% - 1.80% per annum, respectively).

**20 Trade and other payables**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Trade payables	2,435	3,068	781	568
Trade payables to related parties (Note 34)	2	-	49	46
Other payables	121	170	50	82
Other payables to related parties (Note 34)	4	5	3	13
Advance received from customers	374	319	-	-
Accrued interest	60	65	60	64
Accrued expenses	519	361	61	42
<b>Total trade and other payables</b>	<b>3,515</b>	<b>3,988</b>	<b>1,004</b>	<b>815</b>

21 Long-term loans from financial institutions, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
<b>Current portion of long-term loans, net</b>				
Thai Baht	625	327	184	-
US Dollar	727	259	704	148
<u>Less</u> Deferred financing fee	(3)	(3)	(2)	(2)
	1,349	583	886	146
<b>Long-term loans, net</b>				
Thai Baht	965	693	274	-
US Dollar	-	767	-	710
<u>Less</u> Deferred financing fee	(2)	(7)	-	(5)
	963	1,453	274	705
Total long-term loans, net	2,312	2,036	1,160	851

The movement of long-term loans from financial institutions can be analysed as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Opening balance, net	2,036	1,372	851	521
<u>Cash flows information</u>				
Additions	1,017	1,337	550	543
Repayments	(772)	(578)	(248)	(142)
Financing fees on addition loans	(1)	(7)	-	(5)
<u>Non-cash movements</u>				
Amortised deferred financing fees	5	4	4	3
Unrealised loss (gain) from exchange rate	20	(8)	3	(69)
Currency translation differences	7	(84)	-	-
Closing balance, net	2,312	2,036	1,160	851

As at 31 December 2018 and 2017, the Group and the Company have long-term loans from local commercial banks as follows:

The Company

Balance of loan, net (Million Baht)		Interest rate per annum	Repayments of principal and interest	Security
2018	2017			
458	-	MLR-3.27%	Principal and interest repayments are made on quarterly basis. The loan is due for full repayment by June 2021.	A Subsidiary
702 (21.60 Million US Dollar)	851 (26.10 Million US Dollar)	LIBOR 3M+3.42%	Principal and interest repayments are made on quarterly basis. The loan is due for full repayment by July 2019.	A Subsidiary

**21 Long-term loans from financial institutions, net (continued)**

As at 31 December 2018 and 2017, The Group and the Company have long-term loans from local commercial banks as follows: (continued)

**The subsidiaries**

Balance of loan, net (Million Baht)		Interest rate per annum	Repayments of principal and interest	Security
2018	2017			
45	84	BIBOR +2.15%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by February 2020.	Vessel (Note 13) and also guaranteed by the Company
23 (0.70 Million US Dollar)	69 (2.12 Million US Dollar)	MLR-1.50%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by June 2019.	
-	24 (0.72 Million US Dollar)	LIBOR 1M+3.00%	Principal and interest repayments are made on monthly basis. The loan is full repayment during the year 2018.	
89	112	THBFIX 6M +2.22%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by December 2022.	
-	2	MLR-1.00%	Principal and interest repayments are made on monthly basis. The loan is full repayment during the year 2018.	Vessels (Note 13) and also guaranteed by the Company and another subsidiary
-	5	MLR-1.00%	Principal and interest repayments are made on monthly basis. The loan is full repayment during the year 2018.	
-	75 (2.30 Million US Dollar)	LIBOR 3M+3.10%	Principal and interest repayments are made on monthly basis. The loan is full repayment during the year 2018.	

**21 Long-term loans from financial institutions, net (continued)**

As at 31 December 2018 and 2017, The Group and the Company have long-term loans from local commercial banks as follows: (continued)

**The subsidiary (continued)**

Balance of loan, net (Million Baht)		Interest rate per annum	Repayments of principal and interest	Security
2018	2017			
52	99	2.57%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by January 2020.	Vessels (Note 13) and also guaranteed by the Company and another two subsidiaries
350	448	2.73%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by July 2022.	
41	60	3.00%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by February 2021.	
20	79	3.00%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by April 2019.	
94	128	2.57%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by September 2021.	
339	-	3.00%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by August 2023.	
99	-	3.00%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by August 2023.	

2,312      2,036

During the year 2018, the Group entered into the interest rate and cross currency swap contracts with the financial institutions, the Group disclosed the interest rate and cross currency swap contracts with the financial institutions as at 31 December 2018 in note 36.

Under the terms and conditions as specified in the loan agreements, the Group and the Company are not permitted to use pledged assets as collateral for other obligations without prior formal approval from the banks. The Group and the Company have to comply with the conditions, including certain debt covenants as specified in the agreement.

**21 Long-term loans from financial institutions, net (continued)**

The interest rate risk of long-term loans of the Group and the Company are shown below:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Long-term loans, net				
- at fixed rates	995	814	-	-
- at floating rates	1,317	1,222	1,160	851
Total long-term loans, net	2,312	2,036	1,160	851

As at 31 December 2018, the weighted average effective interest rate of the long-term loans of the Group and the Company were approximately 4.91% and 4.90% per annum respectively. (2017: 4.67% and 4.64% per annum respectively).

Maturity of long-term loans is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Within 1 year	1,349	583	886	146
Later than 1 year but not later than 5 years	963	1,453	274	705
Total long-term loans, net	2,312	2,036	1,160	851

**Credit facilities**

As at 31 December 2018, the Group has available unused credit facilities with commercial banks for letter of credit, trust receipt, cheque discounted, letter of guarantee, and forward contract, of Baht 24,512 million (2017: Baht 25,253 million).

**22 Other current liabilities**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Tax payables	91	29	4	3
Withholding tax payable	8	5	-	-
Others	41	54	2	3
Total other current liabilities	140	88	6	6



**23 Bonds, net**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>
<b>Current portion of long-term bonds, net</b>				
Thai Baht	3,000	2,000	3,000	2,000
<b>Long-term bonds, net</b>				
Thai Baht	6,000	5,000	6,000	5,000
<u>Less</u> Deferred financing fees	(17)	(5)	(17)	(5)
	5,983	4,995	5,983	4,995
<b>Total bonds, net</b>	<b>8,983</b>	<b>6,995</b>	<b>8,983</b>	<b>6,995</b>

The movements of bonds can be analysed as follows:

**For the year ended 31 December 2018**

	<b>Consolidated financial statements Million baht</b>	<b>Separate financial statements Million Baht</b>
Opening balance, net	6,995	6,995
<u>Cash flows information</u>		
Repayment	(2,000)	(2,000)
Issue of bond	4,000	4,000
Financing fee on issue of bond	(17)	(17)
<u>Non-cash movements</u>		
Amortised financing fees	5	5
<b>Closing balance, net</b>	<b>8,983</b>	<b>8,983</b>

During the year 2018, the Company had proposed to issue and offer unsubordinated and secured debenture bond. Total value of debenture bond is Baht 4,000 million. The par value is equal to offering price at Baht 1,000 per unit. Interest is repayment every 3 months.

The bond is rated at A (Stable) by TRIS. The detail of the bond is as follows:

<b>Type of bond</b>	<b>Fixed interest rate</b>
5-year bond	3.03% per annum
5-year bond	3.85% per annum

Under the rights and responsibility of the issuer and the holders of bond, the Company has to comply with the conditions, including certain financial covenants.

Maturity of bonds is as follows:

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>
Within 1 year	3,000	2,000	3,000	2,000
Later than 1 year but not later than 5 years	5,983	4,995	5,983	4,995
<b>Total bonds, net</b>	<b>8,983</b>	<b>6,995</b>	<b>8,983</b>	<b>6,995</b>

**24 Cylinder deposits**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
Cylinder deposits	5,054	4,745	1,078	976

The Company has obligation for cylinder deposits which was transferred from the business acquisition of Siam Gas Industries Co., Ltd. On 27 April 2005 at net book value. The obligation will arise when customers return the cylinder together with original receipt in exchange for the deposit. Net book value of cylinder deposits of Baht 133 million was the remaining balance after being amortised over the useful life of cylinders until the date of the acquisition. If the Company had recognized the deposits at gross amount before amortisation, the Company may have additional cylinder deposits liabilities. However, the Company and management determine that the rate of deposits refund is very low based on the last five-year information (Note 35). The significant refund of deposits will occur when gas business operations significantly decline.

**25 Employee benefit obligations**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
Present value of obligations	166	156	62	56
Liability in the statement of financial position	166	156	62	56

Movements in employee benefit obligations are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	156	145	56	53
Current service costs	12	11	5	4
Interest costs	5	5	2	2
Benefit paid	(7)	(5)	(1)	(3)
Closing balance	166	156	62	56

Costs of employee benefits recognised in the statement of income are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
Current service costs	12	11	5	4
Interest costs	5	5	2	2
Total	17	16	7	6

**25 Employee benefit obligations (continued)**

The amounts recognised in cost of sales and services and administrative expenses are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Cost of sales and services	7	7	2	3
Administrative expenses	10	9	5	3
Total	17	16	7	6

The principal actuarial assumptions used were as follows:

	2018	2017
Discount rate	3.1%	3.1%
Salary increase rate	4.5 - 7%	4.5 - 7%
Turnover rate	0.0 - 35%	0.0 - 35%

Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
Discount rate	1%	1%	Decrease by 6.53%	Decrease by 6.97%	Increase by 7.42%	Increase by 7.93%
Salary increase rate	1%	1%	Increase by 9.73%	Increase by 9.20%	Decrease by 8.66%	Decrease by 8.22%
Turnover rate	20%	20%	Decrease by 7.33%	Decrease by 7.68%	Increase by 8.87%	Increase by 9.31%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not significantly change compared to the previous period.

As at 31 December 2018, the weighted average duration of the defined benefit obligation of the Group is 18 years (2017: 19 years).

**26 Share capital**

	Number of share Million shares	Ordinary share Million Baht	Share premium Million Baht	Total Million Baht
As at 1 January 2017	919	919	1,875	2,794
Issue of ordinary shares	-	-	-	-
As at 31 December 2017	919	919	1,875	2,794
Shares split	919	-	-	-
As at 31 December 2018	1,838	919	1,875	2,794

At the Annual General Meeting of Shareholders for the year 2018 on 27 April 2018, the shareholders approved a registered its change in par value with Ministry of Commerce from that of Baht 1 to that of Baht 0.50 per share by splitting 1 ordinary share at a par value of Baht 1 into 2 ordinary shares at a par value of Baht 0.50 per share and approved a change in the Company's Memorandum of Association to record this change in the par value of the Company's shares on 11 May 2018.

As at 31 December 2018, total authorised number of shares was 1,838 million shares with a par value of Baht 0.50 per share (2017: 919 million shares with a par value of Baht 1 per share). All 1,838 million shares were issued and fully paid-up with the share premium of Baht 1,875 million.

## **27 Dividends paid**

### **The Company**

On 27 April 2018, at the Annual General Shareholders' meeting of the Company, the shareholders passed a resolution to approve the payment of dividends for the year 2017 amounting to Baht 1.50 per share, totalling Baht 1,378.40 million, inclusive of interim dividends from retained earnings and operating result for the six-month period ended 30 June 2017 amounting to Baht 0.50 per share, totalling Baht 459.47 million. The interim dividends had already been paid on 7 September 2017. The remaining dividends of Baht 1.00 per share, totalling Baht 918.93 million, had already been paid on 9 May 2018.

On 7 August 2018, at the Board of Directors' meeting of the Company, the board passed a resolution to approve the payment of interim dividends from operating results for the six-month period ended 30 June 2018 at Baht 0.25 per share, for 1,837.86 million shares, totalling Baht 459.47 million. The dividends had been paid on 5 September 2018.

### **The Subsidiaries**

In January 2018, at the Board of Directors' meeting of Siam Gas Trading Pte. Ltd., the board passed a resolution to approve the payment of interim dividends from retained earnings at USD 60 per share or Baht 31.89 per share, for 0.50 million shares, totalling USD 30.00 million or Baht 956.69 million. The Company recognised the dividend income in the separate statement of income. The interim dividends had been paid on 12 January 2018.

On 24 April 2018, at the Annual General Shareholders' meeting of Lucky Carrier Company Limited, the shareholders passed a resolution to approve the payment of dividends for the year 2017 in an amount of Baht 8.00 per share, for 7.00 million shares, totalling Baht 56.00 million, inclusive of interim dividends amounting to Baht 5.00 per share, totalling Baht 35.00 million. The interim dividends had already been paid on 1 September 2017. The remaining dividends of Baht 3.00 per share, totalling Baht 21.00 million, had already been paid on 2 May 2018.

On 25 April 2018, at the Annual General Shareholders' meeting of the Unique Gas and Petrochemical Public Company Limited, the shareholders passed a resolution to approve the payment of dividends for the year 2017 from operating results for the year 2017 in an amount of Baht 65.00 per share, for 10.50 million shares, totalling Baht 682.50 million, inclusive of interim dividends amounting to Baht 30.00 per share, totalling Baht 315.00 million. The interim dividends had already been paid on 5 September 2017. The remaining dividends of Baht 35.00 per share, totalling Baht 367.50 million, The dividends had already been paid on 7 May 2018.

On 7 August 2018, at the Board of Directors' meeting of Unique Gas and Petrochemical Public Company Limited, the board passed a resolution to approve the payment of interim dividends from operating results for the six-month period ended 30 June 2018 at Baht 35.00 per share, for 10.50 million shares, totalling Baht 367.50 million. The dividends had already been paid on 3 September 2018.

On 14 August 2018, at the Board of Directors' meeting of Lucky Carrier Company Limited, the board passed a resolution to approve the payment of interim dividends from net profit for the six-month period ended 30 June 2018 at Baht 3.00 per share, for 7.00 million shares, totalling Baht 21.00 million. The dividends had already been paid on 3 September 2018.

## **28 Legal reserve**

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5% of its net profit after deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. Dividend cannot be paid out of the legal reserve.

Under the provision of the Civil and Commercial Code of Thailand, the subsidiary companies in Thailand are required to set aside as a legal reserve at least 5% of their net profit each time a dividend is declared until the reserve reaches 10% of registered capital, such reserve is not available for dividend distribution until the company is finally wound up.

**29 Other income**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Rental income	29	23	22	21
Interest income	17	17	37	55
Gain on disposals of property, plant and equipment	37	9	33	1
Gain on exchange rates	91	140	24	110
Gain on revaluation of inventory	131	8	-	-
Others	272	277	107	86
Total other income	577	474	223	273

**30 Expenses by nature**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Depreciation and amortisation expenses	1,138	1,230	120	115
Staff costs	1,475	1,399	333	292
Directors' and key management's remuneration	65	57	33	29
Impairment charges on goodwill	-	22	-	-
Impairment charges on equipment	93	28	-	-
Impairment charges on investment	-	-	129	-

**31 Income tax**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Current tax	286	403	-	-
Deferred tax (Note 17)	(135)	259	(65)	4
Total tax expense	151	662	(65)	4

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Profit before tax	1,021	3,502	1,342	648
Tax calculated at a tax rate of 20% (2017: 20%)	204	700	268	130
Tax effect of:				
Difference in overseas tax rate	251	15	-	-
Income not subject to tax	(366)	(136)	(346)	(136)
Expenses not deductible for tax purpose	69	68	10	8
Utilisation of previously unrecognised tax losses	(7)	(4)	-	-
Tax losses for which no deferred income tax asset was recognised	12	22	-	2
Others	(12)	(3)	3	-
Tax charge	151	662	(65)	4

## **32 Earnings per share**

Basic earnings per share attributable to equity holders of the parent is calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares issued during the year.

<b>For the year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Net profit attributable to owner of the parent (million Baht)	871	2,811	1,407	645
Weighted average number of ordinary shares in issue during the year (million shares)	1,838	1,838	1,838	1,838
Basic earnings per share (Baht per share)	0.47	1.53	0.77	0.35

There are no potential dilutive ordinary shares in issue during the year 2018. Weighted average number of ordinary shares for the period ended 31 December 2018 was revised from potential dilutive ordinary shares in issue as there was revised in the beginning of 2017.

33 Other components of equity

Consolidated financial statements							
	Revaluation surplus on land Million Baht	Difference arising from business acquisition under common control Million Baht	Difference from taking equity of a business combination under common control Million Baht	Share of other comprehensive expense from joint ventures and associates for using the equity method Million Baht	Currency translation differences Million Baht	Discount from Charges in Shareholding Interests in subsidiaries Million Baht	Total other component of equity Million Baht
Opening balance - 1 January 2018	969	(609)	22	(21)	(407)	-	(46)
Acquisition of investment in a subsidiary from non-controlling interests	-	-	-	-	-	(4)	(4)
Total comprehensive expense for the year	-	-	-	(34)	(607)	-	(641)
Closing balance - 31 December 2018	969	(609)	22	(55)	(1,014)	(4)	(691)
Opening balance - 1 January 2017	969	(609)	22	-	140	-	522
Total comprehensive expense for the year	-	-	-	(21)	(547)	-	(568)
Closing balance - 31 December 2017	969	(609)	22	(21)	(407)	-	(46)

Separate financial statements			
	Revaluation surplus on land Million Baht	Difference arising from business acquisition under common control Million Baht	Total other component of equity Million Baht
Opening balance - 1 January 2018	757	(609)	148
Total comprehensive income for the year	-	-	-
Closing balance - 31 December 2018	757	(609)	148
Opening balance - 1 January 2017	757	(609)	148
Total comprehensive income for the year	-	-	-
Closing balance - 31 December 2017	757	(609)	148

### **34 Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

As at 31 December 2018, the major shareholders of the Company are shareholders in Weeraborwornpong family, which own 61.30% of the Company's share capital.

Details of subsidiaries, associates and joint ventures are presented in Note 12.

The significant related party transactions are as follows:

#### **a) Outstanding balances arising from sales and purchases of goods/services**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
<b>Trade accounts receivable</b>				
Subsidiaries	-	-	74	205
Joint ventures	17	56	-	-
Other related parties - the same shareholders and directors	3	3	2	2
<b>Total</b>	<b>20</b>	<b>59</b>	<b>76</b>	<b>207</b>
<b>Other receivables</b>				
Subsidiaries	-	-	94	98
<b>Cylinder deposits</b>				
Subsidiaries	-	-	2	2
<b>Deposits for building</b>				
Other related parties - the same shareholders and directors	7	7	3	3
<b>Prepayment for building</b>				
Other related parties - the same shareholders and directors	174	30	71	12
<b>Trade accounts payable</b>				
Subsidiaries	-	-	49	46
Joint ventures	2	-	-	-
<b>Total</b>	<b>2</b>	<b>-</b>	<b>49</b>	<b>46</b>
<b>Other payables</b>				
Subsidiaries	-	-	1	11
Other related parties - the same shareholders and directors	4	5	2	2
<b>Total</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>13</b>



**34 Related party transactions (continued)**

The significant related party transactions are as follows: (continued)

**b) Long-term loans to related parties**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>
<b>Long-term loans to related parties</b>				
Subsidiaries	-	-	1,160	1,182
Associates	112	-	-	-
Joint ventures	21	21	21	21
<b>Total</b>	<b>133</b>	<b>21</b>	<b>1,181</b>	<b>1,203</b>
<b>Accrued interest income</b>				
Current portion				
Joint ventures	1	-	1	1
Non-current portion (Note 18)				
Subsidiaries	-	-	217	188
<b>Total</b>	<b>1</b>	<b>-</b>	<b>218</b>	<b>189</b>

The movement of long-term loans to related parties can be analysed as follows:

<b>For the year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>
Opening balance	21	37	1,203	1,821
Additions	113	-	155	445
Proceeds	-	(12)	(173)	(1,001)
Unrealised loss on exchange rates	(1)	(4)	(4)	(62)
<b>Closing balance</b>	<b>133</b>	<b>21</b>	<b>1,181</b>	<b>1,203</b>

**34 Related party transactions (continued)**

The significant related party transactions are as follows: (continued)

**b) Long-term loans to related parties (continued)**

As at 31 December 2018, the details of long-term loans to subsidiaries and joint ventures are as follows:

<b>Balance of long-term loans to related parties (Million Baht)</b>		<b>Interest rate per annum</b>	<b>Repayment of principal and interest</b>
<b>2018</b>	<b>2017</b>		
783	751	The maximum of bond rates +0.25	The loan is due for full repayment in 2023.
5	5	The maximum of bond rates +0.25	The loan is due for full repayment in 2020.
357	357	MLR +0.50	The loan dues when the subsidiary has sufficient working capital.
-	74 (2.29 Million US Dollar)	The maximum of bond rates +0.25	The loan is full repayment during the year 2018.
16 (0.50 Million US Dollar)	16 (0.50 Million US Dollar)	The maximum of bond rates +0.25	The loan is due for full repayment in 2020.
20	-	The maximum of bond rates +0.25	The loan is due for full repayment in 2023.
<b>1,181</b>	<b>1,203</b>		

**c) Long-term loans from related parties**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>
<b>Long-term loans</b>				
Subsidiaries	-	-	998	690
Other related parties - the same shareholders and directors	3	3	-	-
<b>Total</b>	<b>3</b>	<b>3</b>	<b>998</b>	<b>690</b>

**34 Related party transactions (continued)**

The significant related party transactions are as follows: (continued)

**c) Long-term loans from related parties (continued)**

The movement of long-term loans from related parties can be analysed as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	3	3	690	534
Additions	-	-	1,046	820
Repayments	-	-	(740)	(664)
Unrealise loss from exchange rate	-	-	2	-
Closing balance	3	3	998	690

As at 31 December 2018, the details of long-term loans from 2 subsidiaries are as follows:

- Loan of Baht 690 million (2017: Baht 670 million) with interest rate of 1.67% per annum or Interest rate of average fixed deposit interest rate of four Thai commercial banks plus 0.50% per annum (2017: Interest rate of average fixed deposit interest rate of four Thai commercial banks plus 0.50% per annum). The loan is dues for payment in 2023.
- Loan of Baht 20 million for 2017 with Interest rate of 0.25% per annum. The loan is full repayment during the year 2018.
- Loan of Baht 308 million (2017: nil) with no interest. The loan is no due date.

As at 31 December 2018, the Group has loan from directors of Baht 3 million with no interest. The loan dues when the subsidiary has sufficient working capital.

**d) Revenues from sales of goods and services, interest income and other income**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
<b>Sales of gas</b>				
Subsidiaries	-	-	2,469	1,733
Joint ventures	122	408	-	-
Other related parties - the same shareholders and directors	15	14	8	7
Total	137	422	2,477	1,740
<b>Wharfing service income</b>				
Subsidiaries	-	-	41	41
<b>Interest income</b>				
Subsidiaries	-	-	35	52
Joint ventures	1	1	1	2
Total	1	1	36	54
<b>Other income</b>				
Subsidiaries	-	-	118	77
<b>Dividend income</b>				
Subsidiaries	-	-	1,731	679

**34 Related party transactions (continued)**

The significant related party transactions are as follows: (continued)

**e) Purchases of goods and services and interest expenses**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
<b>Purchase of goods</b>				
Subsidiaries	-	-	1,010	186
<b>Purchase of equipment</b>				
Subsidiaries	-	-	82	62
<b>Transportation expenses</b>				
Subsidiaries	-	-	292	291
<b>Wharfing expenses</b>				
Subsidiaries	-	-	35	32
<b>Rental expenses</b>				
Subsidiaries	-	-	3	3
Other related parties - the same shareholders and directors	34	30	13	12
Total	34	30	16	15
<b>Interest expenses</b>				
Subsidiaries	-	-	12	9
<b>Other expenses</b>				
Subsidiaries	-	-	17	9
Other related parties - the same shareholders and directors	36	33	15	15
Total	36	33	32	24

**f) Directors' and key management remunerations**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Short-term employee benefits	63	55	32	28
Post-employment benefits	2	2	1	1
Total	65	57	33	29

**35 Commitments and contingent liabilities**

**a) Contingent liabilities**

**The assessments of value added tax**

A subsidiary received a notice of assessment letter for value added tax underpayment, including a penalty and surcharge from the Revenue Department. The assessment was issued because the subsidiary did not pay value added tax on transportation service income arising from time charter party contracts. The Revenue Department deemed that this service is classified as property rental, not transportation which is exempt for value added tax. The notification letters of value added tax underpayment are as follows:

- In June 2011, a notice of assessment letter was received for the underpayment of value added tax, including a penalty and surcharge, for the period from October to December 2010 totalling Baht 8.85 million. In August 2018, the subsidiary received a favourable ruling from the Supreme Court. Then, in February 2019, the subsidiary received a value added tax refund together with the interest totalling Baht 7.12 million from the Revenue Department.
- In June 2017, a notice of assessment letter was received for the underpayment of value added tax, including a penalty and surcharge, for the period from May to December 2012 totalling Baht 11.62 million. The subsidiary filed a partial tax payment of Baht 3.94 million and recorded this as expense in the same year. The remaining of Baht 7.68 million was the penalty and surcharge. As at 31 December 2018, the case was being reviewed by the Administrative Appeal Committee.
- In January 2018, a notice of assessment letter was received for the underpayment of value added tax, including a penalty and surcharge, for the period from February to April 2013 totalling Baht 4.03 million. The subsidiary filed a partial tax payment of Baht 1.28 million and recorded this as expense in the period. The remaining of Baht 2.75 million was the penalty and surcharge. As at 31 December 2018, the case was being reviewed by the Administrative Appeal Committee.

**The assessments of corporate income tax**

The subsidiary received a notification letters for corporate income tax underpayment, including penalty and surcharge from the Revenue Department. The assessment was issued because transportation service income arising from the subsidiary's time charter party contracts had been granted promotional privileges by the Office of the Board of Investment under promotion certificates, and according to the notification of the Director-General of the Revenue Department (No.72) - Rules, procedures and conditions for exemption from income tax on a company or juristic partnership for international marine shipping. The Revenue Department classified this service as property rental, which is not granted promotional privileges under the certificates. The notification letters of corporate income tax underpayment are as follows:

- In November 2017, a notice of assessment letter was received for the underpayment of corporate income tax, including a penalty and surcharge, for the year 2012 and 2014 totalling Baht 58.47 million and Baht 33.81 million, respectively. The subsidiary filed a partial tax payment of Baht 34.61 million and recorded this as expenses in the same year. The remaining of Baht 57.67 million was the penalty and surcharge. As at 31 December 2018, the cases were being reviewed by the Administrative Appeal Committee.
- In January 2018, a notice of assessment letter was received for the underpayment of corporate income tax, including a penalty and surcharge, for the year 2013 totalling Baht 51.28 million. The subsidiary filed a partial tax payment of Baht 19.17 million and recorded this as expense in the period. The remaining of Baht 32.11 million was the penalty and surcharge. As at 31 December 2018, the case was being reviewed by the Central Tax Court.

**35 Commitments and contingent liabilities (continued)**

**a) Contingent liabilities (continued)**

**The assessments of corporate income tax (continued)**

As a result of the judgement by the Supreme Court of the assessment of value added tax from October to December 2010, the Group's management considers that the outcome from the Administrative Appeal Committee will match with the judgement from the Supreme Court. Therefore, the Group didn't recognize the expense and contingent liability relating to the value added tax and corporate income tax including, penalty and surcharge on transportation service income arising from the time charter party contracts from 2010 to date in the financial information.

**b) Letter of guarantee**

As at 31 December 2018 and 2017, the Group and the Company have bank guarantees issued on its behalf as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Letter of guarantee	1,164	1,231	310	323
Letter of credit	928	3,707	-	460

The Group has available credit facilities with commercial banks for letter of credit, trust receipt, cheque discounted, letter of guarantee, forward contract. Credit facilities are secured by the subsidiaries and personal guarantees by the Company's directors.

**c) Operating lease commitments**

The Group and the Company have commitments from long-term land, building and equipment lease agreements as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Within 1 year	92	82	20	19
During 2 - 5 years	229	132	63	64
Later than 5 years	582	282	76	87
Total	903	496	159	170

**35 Commitments and contingent liabilities (continued)**

**d) Capital commitments**

The Group and the Company have capital commitments at the statements of financial position date but not recognised in the financial statements as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Property, plant and equipment	1,034	923	597	458

**e) Contingent liabilities from cylinder deposits**

During the year 2004, the Company had entered into the Business Purchase agreement with Siam Gas Industries Co., Ltd. On 27 April 2005, the Company has entered into cylinder deposit repayment agreement with Siam Gas Industries Co., Ltd. According to the agreement, Siam Gas Industries Co., Ltd. agrees to pay cylinder deposits to customer who has deposit receipts prior to the date of the Business Purchase agreement, if aggregated refunds to customers are in excess of the amount specified in the Business Purchase agreement. However, Siam Gas Industries Co., Ltd. has currently ceased the operation, and please see Note 24 in relation to contingent liabilities from cylinder deposits.

**36 Financial instruments**

**Interest rate and cross currency swap contracts**

The interest rate and cross currency swap contracts are entered to manage the exposure on fluctuation in interest rates and foreign currency exchange rate on specific transaction. The Group and the Company have the interest rate and cross currency swap contracts with financial institutions as at 31 December 2018 as follows:

**Interest rate swap contracts**

Interest rate swap contracts are entered into to manage exposure to fluctuations in interest rates. The Company entered into interest rate swap contracts by converting floating rates to fixed rates for the total amount of long-term loans of US Dollar 6.00 million which equivalent to Baht 195.68 million. A subsidiary of the Company entered into interest rate swap contracts by converting floating rates to fixed rate for the total amount of long-term loans of Baht 89.60 million and total amount of long-term loans of US Dollar 0.70 million (which equivalent to Baht 22.96 million).

**Cross currency swaps contracts**

Cross currency swaps contract are entered into to manage exposure to fluctuations in currency exchange rates and interest rates by foreign exchange rates and exchange rates in advance. A subsidiary of the Company entered into such contract for total amount of long-term loans of Baht 1,043 million which equivalent to US Dollar 30.75 million.

**37 Events after the reporting date**

**a) Dividend payment**

**The Company**

On 21 February 2019, at the Board of Directors' meeting of the Company, the board passed a resolution to propose the payment of dividends from operating results for the year 2018 amounting to Baht 0.45 per share, totalling Baht 827.04 million, inclusive of interim dividends for the first six-month of 2018. The Company had already paid interim dividend from operating results for the six-month period of the year 2018 amounting to Baht 0.25 per share, totalling Baht 459.47 million on 5 September 2018. The board will propose the shareholders at the shareholders' meeting to get an approval for dividend payment.

**Subsidiary**

On 21 February 2019, at the Board of Directors' meeting of Unique Gas and Petrochemicals Public Company Limited, the board passed a resolution to propose dividend payment for the year 2018 in an amount of Baht 70.00 per share, totalling Baht 735.00 million, inclusive of interim dividends from operating results for the six-month period of the year 2018, amounting to Baht 35.00 per share, totalling Baht 367.50 million. The interim dividends had already been paid on 3 September 2018. The remaining dividend of Baht 367.50 million will be paid in May 2019.

On 21 February 2019, at the Board of Directors' meeting of Lucky Carrier Company Limited, the board passed a resolution to propose dividend payment for the year 2018 in an amount of Baht 7.00 per share, totalling Baht 49.00 million, inclusive of interim dividends from operating results for the six-month period of the year 2018, amounting to Baht 3.00 per share, totalling Baht 21.00 million. The interim dividends had already been paid on 3 September 2018. The remaining dividend of Baht 28.00 million will be paid in May 2019.

**b) Issue of bond**

On 25 - 29 January 2019, at the Board of Directors' meeting of the Company, the board passed a resolution to propose to issue and offer unsubordinated and unsecured debenture bond. Total value of debenture bond is Baht 3,000 million. The par value is equal to offering price at Baht 1,000 per unit. Interest is repayment every 3 months.

The bonds are rated at BBB+ (Stable) by TRIS. The details of the bond are as follows:

<b>Type of bond</b>	<b>Fixed Interest rate</b>
3-year bond	4.10% per annum

**c) Loans a subsidiary**

On 15 February 2019, The Company enters into contract with a subsidiary to loan of USD 4.50 million or equivalent to Baht 146.02 million, with interest rate of 4.55% per annum. The loan is dues for payment in 2020.

**d) Increase capital of a subsidiary**

On 21 February 2019, at the Board of Directors' meeting of the Company, it passed a resolution to approve the increase of share capital of a subsidiary to entitle to the privileges of the Board of Investment. The capital increase is of Baht 40 million with 4 million shares at par value of Baht 10 each. The Group still maintains 100% ownership interest in the subsidiary. The registration will be completed in February 2019.